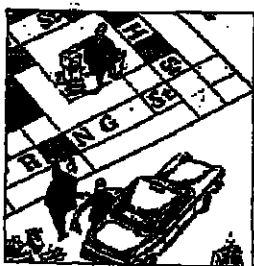




**Paying homage to a grandfather who never came home from war**

Page I

<http://www.FT.com>



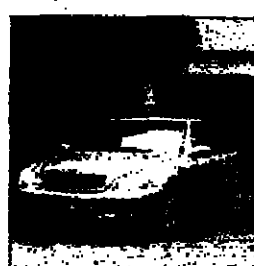
**New York no-man's land turns into retail hot spot**

Page X

# FT

## FINANCIAL TIMES

NOVEMBER 7/NOVEMBER 8 1998



**It's perfect - the best large saloon car in the world**

Page XII



**The American bagel bids to be Britain's next food fad**

Page XIII

NETANYAHU DELAYS CABINET DISCUSSION OF WYE ACCORD AFTER TERRORIST MISSION IN JERUSALEM MARKET KILLS TWO PEOPLE

## 'Suicide car bomb attack sets back Israel peace deal

By Judy Dempsey in Jerusalem

The Wye Plantation peace deal hammered out last month by Palestinians and Israelis suffered a setback yesterday after a suicide car bomb killed the two attackers and injured 21 people in Jerusalem's busiest outdoor market.

The attack occurred as the Israeli cabinet met in special session to debate the Wye accord in which Israel will hand over 13 per cent of the disputed territory on the West Bank to the Palestinians in return for greater security guarantees.

Benjamin Netanyahu, Israeli prime minister, suspended the session immediately after the attack and called a special meeting of the inner cabinet to consider security issues.

A government statement said the cabinet would meet again "after it is satisfied that the Palestinian Authority is taking

intensive steps for an all-out war against the terrorist groups and their infrastructure".

US president Bill Clinton, who played a key role in forging last month's accord, said the bombing was an "outrageous and cowardly act by enemies of peace who wish to derail the courageous steps taken by the Israelis and Palestinians at Wye River". He added he hoped to regain "the momentum and implementation of the Wye agreement as soon as possible". Dennis Ross, US Middle East envoy, is expected to return to the region shortly.

Madeleine Albright, US secretary of state, telephoned Mr Netanyahu to express her condolences, but warned of any further delay in implementing the accord. James Rubin, her spokesman, said any delay would encourage the extremists.

The Palestinian Authority condemned the attack and Hassan

Asfour, a peace negotiator, said it was "a crime - whoever commits this hurts the interests of the Palestinian people".

He added that he hoped it would not provide Israel with an excuse to walk away from the Wye agreement. "This incident is not against Israelis only, but against the peace process." Other Palestinian officials said they could not be responsible for security inside Israel.

Mr Netanyahu had already postponed cabinet discussion of the accord three times in one week, insisting on more guarantees on security and demanding that Yasser Arafat, president of the Palestinian Authority, agree in writing to arrest 30 Palestinians suspected of killing Israelis.

Yesterday's bombing was the second suicide car bomb attack on Israeli targets in 10 days, signalling intense opposition by militant Islamist movements to any



An Israeli policeman calls for an ambulance as an unidentified body lies on the street moments after the car bomb AP

peace deal with the Jewish state. Israeli police said they received a telephone call from Hamas, the Islamic resistance movement, claiming responsibility for the attack. Hamas struck at the same market in July last year when

two suicide bombers killed 15 people and wounded more than 170. However, Israel's justice minister Tzahi Hanegbi said later yesterday's attack was almost certainly staged by Islamic Jihad. Police said shoppers were

alerted yesterday when they saw smoke coming out of the hood and exhaust of a red Fiat. The blast reduced the car to a mass of twisted metal.

Jerusalem bombing, Page 3

## Jospin and Chirac at odds over war mutiny

By Robert Graham in Paris

President Chirac of France yesterday launched an unprecedented attack on Lionel Jospin, the prime minister, over his decision to honour French soldiers shot for mutiny at the height of the first world war.

Mr Jospin said it was time for "those shot as an example" to become a full part of "our collective memory" at a ceremony on Thursday in the town of Craonne in north-east France - a focal point for a mass anti-war protest in 1917.

At least 30,000 soldiers mutinied and death sentences were carried out on 49, while many others were commuted to forced labour. It has long been one of the most painful episodes of the first world war undermining France's official version of a nation accepting great self-sacrifice amid appalling casualties.

The right-wing president, who regards such matters as the domain of the head of state, yesterday described the socialist prime minister's move as "inopportune". It was the sharpest language he has used so far in a tense but careful relationship between the political opponents.

Jean-Louis Debré, parliamentary leader of the Gaullist RPR, was more explicit in his criticism of Mr Jospin. "The premier's action tends to justify acts of mutiny and this can only be prejudicial to the defence of the higher interests of state and the security of Frenchmen," he said.

The prime minister's initiative ahead of Armistice Day celebrations on November 11 was reported to have been prepared meticulously and the precise wording of his speech aimed at striking the right tone.

It followed moves in the UK to try to seek reparations for those who deserted and were executed during the first world war.

Paying homage, FT Weekend I

## Russia secures outline deal on debt restructuring

By John Thornhill in Moscow and Jeremy Grant in London

Russia's hard-pressed government achieved three breakthroughs in its troubled international financial affairs yesterday.

It reached an outline debt restructuring deal with foreign creditors, won a \$800m credit from Japan and secured \$600m worth of food aid from the US.

After weeks of tense negotiations, Moscow persuaded foreign creditors to accept rouble-denom-

inated securities as part of a restructuring plan of its frozen \$40bn treasury bill (GKO) market.

In return, the finance ministry dropped its insistence on including Russian commercial banks' outstanding forward dollar contracts in the plan. Foreign banks had bought these contracts as a way of protecting their GKO holdings against a rouble devaluation.

The agreement means Russia has moved a step closer to rebuilding its shattered credibility in global financial markets.

Moscow sparked a fresh round of global financial turmoil in August when it announced a debt moratorium, leaving some of the world's biggest banks and hedge funds nursing huge losses linked to their exposures to the GKO market.

Mikhail Kasyanov, deputy finance minister, said foreign banks had been forced to swallow big losses on their GKO holdings but had still kept faith with Russia by accepting rouble-denominated instruments.

Under a proposal to be dis-

cussed at further talks next week, foreign banks could swap their GKO for a menu of options including taking stakes in companies to be privatised.

"It's probably not so bad considering that the [previous] deal was worse. At least you remain invested in Russia," said one banker.

As the agreement does not address what happens to the forward contracts, foreign creditors will now be able to force Russian banks to honour an estimated \$6bn in such contracts when the

government-imposed moratorium on repayments expires on November 18.

That could involve lawsuits, which in turn could threaten some of the country's biggest banks with bankruptcy.

Foreign bankers praised the constructive approach to the talks adopted by Mr Kasyanov, saying it was in marked contrast to the brutal manner of Soviet-era negotiations.

"The whole spirit of the talks has been quite good and very civil," said one banker. Japan

yesterday promised to release an \$800m credit agreed in July as part of a \$23.6bn international loan package.

But the International Monetary Fund, which was to provide the bulk of the promised funds, is continuing to withhold the next \$4.8bn tranche of its loan until the Russian government draws up a comprehensive economic programme.

Russia also secured a \$600m credit from the US which can be used to buy food to help avert starvation this winter.

### News General

#### Japanese shoppers in front line

The local authority in Tokyo's Minato-ku district is giving residents subsidised shopping vouchers to persuade them to spend money in the local shops. Nationally, the ruling Liberal Democratic party is to unveil a ¥10,000bn (\$84bn) package to boost the economy. Komeito, a Buddhist-backed opposition party, is demanding that up to ¥4,000bn of this be spent copying Minato's scheme. Page 4

#### Baghdad prepares to mobilise civilians

US defence secretary William Cohen called on Iraq again to rescind its ban on United Nations weapons inspections, a day after a unanimous UN security council resolution demanded immediate resumption of co-operation. Baghdad did not officially react to the UN resolution, but a government newspaper announced that millions of Iraqis were receiving arms training to face US military aggression. Page 3

#### Spain makes formal extradition request

Spain's centre-right cabinet agreed to send the UK government a formal request for the extradition of General Augusto Pinochet, the former Chilean president, whose claim to immunity is currently subject to an appeal in London. Chile responded by recalling its ambassador from Madrid and expressing "profound concern". Page 2

#### Scotland warned against independence

British finance minister Gordon Brown stepped up the Labour government's offensive against the Scottish National party. Mr Brown suggested that the impact of Asia's financial crisis in Scotland would be trifling compared with the disruption caused by independence. Page 5

#### Men in the News

##### Al Gore and George W. Bush

The 2000 presidential election could be an intriguing contest between the man who wants to carry Bill Clinton's legacy into the 21st century and the son of the man Mr Clinton defeated.



Page 7

### News Business

#### Anglo-French power battle likely

British Energy and Electricité de France appear favourites to buy London Electricity when bidding for the capital's power supplier closes on Monday. Other contenders include RWE, the German multi-utility, Singapore Power and National Power, the UK fossil-fuel generator, which wants only London's supply business. Page 23

#### Barnes & Noble pays \$600m for Ingram Book Group

US book retailer Barnes & Noble agreed to acquire Ingram Book Group, the country's largest book distributor, for \$600m in the latest stage of the bitter struggle for dominance of the US book-selling market. Ingram, which is a private subsidiary of Ingram Industries, is the biggest supplier to Amazon.com, a big rival of Barnes & Noble in the growing online book-selling market. Page 24

#### European markets pause for breath after rally

European stocks ended fairly flat yesterday, with the FTSE 100 index inching up 5.05 to 2,500.52. Even share prices in the latest European country to cut interest rates - Ireland - failed to be inspired, with the Dublin market rising just 0.2 per cent. Markets appeared to be pausing for breath after the rally that began in early October. Editorial Comment, Page 6; World stocks, Page 13; London stocks, Page 18; Markets, FT Weekend Page XXIV

#### Genetic testing could become a premium problem

Genetic testing can give early warning of disease, but the results could have serious consequences for those seeking insurance. The British government hopes to work with the industry to establish an independent but voluntary evaluation system. Page 7

#### Foreigners in Wall Street buying spree

Foreigners became big investors on Wall Street this year. But the timing of the binge, revealed in figures produced by the Securities Industry Association, appeared to confirm an old Wall Street adage: when foreign investors arrive in force, it is time to sell. Page 23

FT.com: the FT web site provides updated news and an online archive of back articles at <http://www.FT.com>

#### Contents

News	Compounds	LSE dealings
International News	Corporates and Finance	Managed funds
UK News	Markets	Money markets
Weather	FTSE Advances	Recent issues
Law	FTSE4A Wtd Index	Share information
Features	Foreign exchanges	World connectivity
Reader Page	Gold markets	Wall Street
Letters	Equity options	Bourses
Men in the News	London SE	FT Weekend

Albania LEC900	Australia S207	Bahrain DL1800
Bermuda S200	Belgium BF400	Canada C6200
China RMB95.50	CHL US\$4.00	China HKD100.00
Cyprus C21.35	Cash Rep 1025	Danmark DKK21.00
Egypt E25.50	Denmark DKK21.00	France FF40.00
France FF40.00	Germany DEM1.00	Greece GRD100.00
Guatemala GTQ2.00	Hong Kong HKD100.00	Hungary HUF100.00
India INR40.00	Indonesia Rp100.00	Italy L2400
Israel NIS4.00	Japan Y200	Jordan JOD1.70
Kazakhstan KZT100.00	Malaysia MYR2.00	Korea KRW100.00
Kenya KES100.00	Malta MTL200.00	Latvia LVL100.00
Libya LYD100.00	Mexico MXN20.00	Lithuania LTL100.00
Madagascar MGA100.00	Norway NOK100.00	Malta MTL200.00
Morocco MCH100.00	Poland PLN100.00	Malta MTL200.00
Netherlands DFL100.00	Romania RON100.00	Malta MTL200.00
New Zealand NZD100.00	Saudi Arabia SAR100.00	Malta MTL200.00
Norway NOK100.00	Singapore S\$1.00	Malta MTL200.00
Philippines PHP100.00	South Africa ZAR100.00	Malta MTL200.00
Portugal PTA200.00	Taiwan NT\$100.00	Malta MTL200.00
Romania RON100.00	Thailand THB100.00	Malta MTL200.00
Russia RUB100.00	Turkey TL100.00	Malta MTL200.00
Saudi Arabia SAR100.00	UK L2400	Malta MTL200.00
Singapore S\$1.00	US \$1.00	Malta MTL200.00
South Africa ZAR100.00	Yugoslavia DYN100.00	Malta MTL200.00
Taiwan NT\$100.00		Malta MTL200.00
Thailand THB100.00		Malta MTL200.00
Turkey TL100.00		Malta MTL200.00
UK L2400		Malta MTL200.00
US \$1.00		Malta MTL200.00
Yugoslavia DYN100.00		Malta MTL200.00

THE FINANCIAL TIMES LIMITED 1998 No 33,750 LONDON • LEEDS • PARIS • FRANKFURT • STOCKHOLM • MILAN • MADRID • NEW YORK • LOS ANGELES • CHICAGO • TOKYO • HONG KONG

BONDS & CURRENCIES ON THE MOVE

Time to consider global bond funds.

In the current environment of stalling economic growth, volatile equity markets and US Dollar and Sterling weakness, we believe investors should consider high quality bond funds.

For US Dollar and Sterling investors, we would highlight the *Guinness Flight Global Bond Fund* and the *Guinness Flight European Bond Fund* which offer diversified bond and currency exposure.

These Funds allow investors to participate in the current beneficial bond

market environment and to gain from further depreciation in the US Dollar and Sterling against other major currencies.

Guinness Flight is one of the leaders in global bond fund management, with a range of 17 offshore bond funds, UK unit trusts and PEPs.

Call us now, or complete and return the coupon below for further details on Guinness Flight's Global and European Bond Funds.

GUINNESS FLIGHT

INTELLIGENT INVESTMENT

CALL +44 (0)1481 712 176

Reference 3915

Guinness Flight Fund Managers (Guernsey) Limited, Guinness Flight House, PO Box 250, Guernsey GY1 3XH, Channel Islands. Tel: +44 (0) 1481 712176. Fax: +44 (0) 1481 712065. Internet: [www.guinness-flight.com](http://www.guinness-flight.com)

Please send me more details on Guinness Flight's Global and European Bond Funds.

Title	Initials	Signature
Address		
Country		

These funds are sub-funds of the Guinness Flight Global Bond Fund Limited, a Guernsey special purpose vehicle. Guinness Flight Fund Managers (Guernsey) Limited, Guinness Flight House, PO Box 250, Guernsey GY1 3XH, Channel Islands. Tel: +44 (0) 1481 712176. Fax: +44 (0) 1481 712065. Internet: [www.guinness-flight.com](http://www.guinness-flight.com)

These funds are sub-funds of the Guinness Flight Global Bond Fund Limited, a Guernsey special purpose vehicle. Guinness Flight Fund Managers (Guernsey) Limited, Guinness Flight House, PO Box 250, Guernsey GY1 3XH, Channel Islands. Tel: +44 (0) 1481 712176. Fax: +44 (0) 1481 712065. Internet: [www.guinness-flight.com](http://www.guinness-flight.com)

These funds are sub-funds of the Guinness Flight Global Bond Fund Limited, a Guernsey special purpose vehicle. Guinness Flight Fund Managers (Guernsey) Limited, Guinness Flight House, PO Box 250, Guernsey GY1 3XH, Channel Islands. Tel: +44 (0) 1481 712176. Fax: +44 (0) 1481 712065. Internet: [www.guinness-flight.com](http://www.guinness-flight.com)



## WORLD NEWS

RUSSIAN REFORM PREMIER IS PRAISED BY GORBACHEV BUT US AND IMF OFFICIALS ARE EXPRESSING DOUBTS ABOUT HIS POLICIES

## Primakov a hit at home, under fire abroad

By John Thornhill in Moscow

A sharp division of opinion is emerging between Moscow and Washington over the Russian government's handling of the country's latest crisis.

While Yevgeny Primakov, the prime minister, is winning acclaim at home he is attracting increasing criticism from the US administration and the International Monetary Fund.

Yesterday, Mikhail Gorbachev, the former Soviet leader, became the latest

senior Russian politician to lavish praise on Mr Primakov, suggesting he would make a good president. Mr Primakov was a close ally of Mr Gorbachev during the late 1980s and both men still argue for a more gradual approach to economic reform.

"Without a strengthening of the state role we will not manage. So I fully support what Primakov says. If we carry out his current thinking, I think the country will pull through," Mr Gorbachev said.

The former Soviet leader's views appear to be shared by many of his compatriots, with opinion polls showing that Mr Primakov's ratings make him the most trusted politician in Russia.

But the US administration and the IMF, which are still promising to back Russian reform, appear to be growing increasingly alarmed that Mr Primakov's government has not yet come up with a coherent economic programme.

Strobe Talbott, US deputy secretary of state and the

administration's leading Russia expert, has warned Moscow of the dangers of retreating from the reform process.

"Massive printing of money means the economic situation will probably get worse before it gets better and we will be far less able to help Russia through the IMF," he said on Thursday.

Senior IMF officials in Washington have also pressed the Russian government to tackle its fiscal crisis, making it clear they will not disburse the next \$4.2bn tranche of the fund's support

loan until the government has toughened up its 1999 budget plans.

Alan Rousso, director of the Carnegie Moscow Center, said the Russian people believed the country's problems were primarily political. But the US tended to view Russia primarily through an economic prism, overlooking the absence of the democratic institutions needed to underpin reform.

"The combination of a truculent series of remarks from Strobe Talbott and the IMF's unwillingness to

release more money will provoke a certain degree of anti-westernism," Mr Rousso said. "But I do not think it is the beginning of a real *revanche*."

Liberal Russian politicians and parts of the media, such as the Kommersant newspaper, have also mauled many of the economic proposals put forward by Mr Primakov's government. They suggest the prime minister's popularity will plummet this winter when the depth of the economic crisis hits home to ordinary Russians.

## Madrid approves Pinochet lawsuit

By David White in Madrid

Spain's centre-right cabinet agreed yesterday to send the UK government a formal request for the extradition of General Augusto Pinochet, the former Chilean president, whose claim to immunity is currently subject to an appeal in London.

Chile responded immediately by recalling its ambassador from Madrid for consultations and expressing "profound concern".

Gen Pinochet has been under arrest in Britain since October 16 at the behest of a Spanish investigating judge, pending an extradition demand.

Despite evident discomfort over the case and its impact on Spanish-Chilean relations, the government made it clear in advance that it would respect the judiciary's decision. "The Spanish government is obliged to apply its laws," Abel Matutes, the foreign minister, said yesterday.

State prosecutors, who have so far challenged every step taken by investigating judges in Madrid against former military rulers of Chile and Argentina, said they would not appeal against the extradition request.

A House of Lords hearing resumes in London next week to review a High Court decision upholding Gen Pinochet's immunity from prosecution as former head of state.

The case prepared by examining judge Baltasar Garçon and accepted by the Spanish cabinet yesterday accuses Gen Pinochet of "genocide and international terrorism", and significantly widens the scope of charges contained in provisional arrest warrants sent to London last month.

It lists 2,970 people as having been executed or gone missing during Gen Pinochet's period in power from 1973 to 1980, including students, civil servants, artists, intellectuals, members of the armed forces, politicians, teachers, priests and trade unionists. The list includes the 94 who were the subjects of the original warrant and are alleged to have been captured in Argentina under an international operation.

The extradition demand defends the charge of genocide by arguing there was a systematic plan of kidnapping, torture and execution aimed at a "national group", consisting of the regime's ideological opponents.

Spain's national court has endorsed Mr Garçon's claim that the charges can be considered as genocide and fall within Spanish jurisdiction.

## Lafontaine: letting off steam in a china shop?

By Peter Norman in Bonn

New governments tend to give themselves 100 days to make an impact. Oskar Lafontaine, Germany's finance minister and leader of the Social Democratic party, has compressed his initial headline grabbing activities into just 10 days.

Since being sworn into office on October 27, Mr Lafontaine has both fascinated and appalled German government and financial circles by launching a noisy campaign for lower interest rates and appearing to challenge the independence of the Bundesbank and the fledgling European Central Bank in Frankfurt.

As previous Bonn finance ministers have learned, a confrontation course with the Bundesbank is a high-risk strategy. So no one was surprised that Mr Lafontaine's appearance at Thursday's fortnightly Bundesbank council meeting yielded no visible gains, with the bank leaving its key lending rates unchanged.

Mr Lafontaine's attacks on the Bundesbank followed post-election manoeuvrings which had already created bad feeling. Before the government was formally constituted, Mr Lafontaine

forced Rudolf Scharping, the former leader of the SPD in the Bundestag, to quit his post for the defence ministry. He also built up the power of the finance ministry at the expense of the economics ministry, causing Jost Stollmann to refuse to take up the post of economics minister.

Since then, industry and business have heaped criticism on the tax reform plans of the new SPD-Green coalition, which seeks to shift purchasing power to ordinary families largely by curtailing business tax breaks and depreciation allowances. The plan for an ecological tax reform that would finance a lowering of Germany's high non-wage labour costs by higher taxes on petrol and other energy sources was hitting difficulties yesterday as departmental ministers fought to exempt their own clients from its adverse effects.

In the six weeks since the election, the public perception of Mr Lafontaine has shifted from that of an inspired strategist who held the fractious SPD together for three years to one of a power-hungry politician who charges at issues like an elephant in a china shop.

Some political observers in

Bonn argue Mr Lafontaine is simply letting off steam after years of tough self-discipline as party leader. Others say he is by nature an authoritarian and some of his problems reflect his determination to get a grip over his new empire.

He has also appointed two state secretaries - Helmut Flassbeck and Claus Noé - who are reputed to have had poor working relationships with Hans Tietmeyer, the Bundesbank president, when the latter was a senior economics ministry official many years ago. The minister's position has not been helped by his wife, the economist Christa Müller, who was the first member of his entourage to launch an attack on the Bundesbank after the elections.

Mr Lafontaine's visit to the Bundesbank appears to have created conditions for a *modus vivendi* between the two sides, however. Mr Tietmeyer spoke yesterday of a frank dialogue that cleared up many misunderstandings and made some differences clear.

That means policy differences will still exist between Bonn and Frankfurt. But they are more likely to be discussed - and perhaps settled - behind closed doors.



A French farmer brings a piglet to protests about falling pork prices outside the prefecture in Lille, northern France. Reuters

## French pig protests block roads

French pig farmers blocked roads and held rallies across the country yesterday to protest against collapsing pork prices, Robert Graham reports from Paris.

Led by Breton producers, who account for 50 per cent of French pork, farmers are demanding the rapid distribution of promised government aid, plus measures to unblock valuable EU sales to Russia, halted since August because

of Moscow's financial crisis.

More than 10,000 farmers handed out pork sausages and set haystacks and tyres alight, from northern France to small towns in the south-west. Traffic was jammed in the north after farmers drove slowly and blocked access roads between Dunkirk and Lille. Pork is fetching FF5.18 (95 US cents) per kilo, less than half the price a year ago.

## Rebels set for new war as time runs out in Kosovo

Serbs and Albanians both expect renewed conflict as US negotiators try to achieve a settlement, reports Guy Dinmore

A baby's cry breaks the silence, betraying human life amid the ruins. What was once a solid circle of stone and red-brick farm buildings has been reduced to jagged, charred rubble by Serbian artillery fire. But one Albanian family has returned to live - and fight.

Inside the single habitable room a young mother lulls her infant to sleep in a rocking cradle. Behind her, a shoulder-held anti-tank weapon is propped against the wall, with Kalashnikov rifles and ammunition.

Despite the presence of Serbian police patrols in this village in the heart of Kosovo, a young man appears in full rebel uniform of camouflage fatigues and a flat-jacket. But a detail is missing: the black eagle insignia of the Kosovo Liberation Army (KLA).

This man fights for the Armed Forces of the Republic of Kosovo, known as FARK, a rival group with the same goal of independence as the KLA but taking orders from a separate and equally shadowy command.

Little is known about FARK - which for the moment has agreed to fight alongside the KLA - but the proliferation of such militant groups has complicated US efforts, led by the mediator Chris Hill, to turn the fragile ceasefire in Kosovo into a lasting peace.

Throughout the rebel heartland of the Drenica region in central Kosovo, Serbian police officers in now isolated outposts, as well as commanders of KLA and FARK units, all convey the same message: time is running out, renewed conflict is around the corner.

The October 13 deal struck in Belgrade between the US special envoy, Richard Holbrooke, and the Yugoslav president, Slobodan Milosevic, resulted in a partial withdrawal of Serbian forces and brought an end to the government offensive that in seven months had claimed the lives of over 1,000 Albanians, mostly civilians, and displaced more than 250,000 people.

Almost all the estimated 50,000 Albanians living in makeshift tents in deterior-

ating weather have now found some kind of proper shelter, but many villages remain virtually deserted because there are still police nearby.

A total of 25,000 Serbian police and Yugoslav troops are to remain in Kosovo until the elusive political pact is signed.

A shaky ceasefire holds during the day but sporadic clashes resume at night, after most members of the Kosovo Diplomatic Observer Mission return to their urban bases.

Obtained by the Holbrooke deal to dismantle most of their static checkpoints, Serbian police play a cat-and-mouse game with observers by deploying mobile armoured units to stop and harass Albanian civilians on main roads.

The KLA has also spread its wings, retaking abandoned police positions and equipping itself with new weapons. "The people are still afraid to go back to their ruined homes," said "Plaku", a local KLA commander in the Malisevo area who sports a Motorola walkie-talkie. "This regime has used all its forces to burn and kill. How can we live with this regime any more? I don't believe this ceasefire

can last long."

Mr Hill, who with Mr Holbrooke negotiated an end to the Bosnian civil war in 1995, appears equally worried. In a briefing to diplomats on Wednesday he said he needed a breakthrough within days.

A fifth draft of an interim plan that would give Kosovo substantial self-rule, but not independence, was presented to Albanian political parties in the provincial capital Pristina last Sunday and to the Serbian government in Belgrade the next day.

"It's more acceptable to the Albanian side but does not fulfil all our requests," commented Fehmi Agani, co-ordinator of the official Albanian negotiating team. "But some things are not defined - are we or are we not in Serbia?"

The status of Kosovo is the issue. Despite the protestations of the KLA that only full independence is acceptable, it appears most Albanian parties would accept an autonomous Kosovo within what is left of the Yugoslav federation (which also includes Montenegro) but outside the republic of Serbia.

This is anathema to Mr Milosevic, whose ruling coalition in Belgrade depends on fuelling national-

ist sentiments to keep a lid on the social discontent which has been exacerbated by Serbia's deepening economic crisis.

The US peace plan does not attempt to define Kosovo's status, leaving this for further negotiations at the end of a proposed three-year interim period. Ibrahim Rugova, the "president" of Kosovo since elections in 1992 that Belgrade refused to recognise, knows he cannot possibly sign the deal as now presented on his own.

Although he still commands widespread support among ordinary people, he is virtually marooned in Pristina, the capital, and has little if any control over the fighters in the field.

In an effort to bring the KLA on board, leaders of Kosovo's fractious parties met this week to try to form a new "government" that would give a senior post to Adem Demaci, the political representative of the rebel group whose stubborn insistence on a free Kosovo was fortified by over 27 years spent as a political prisoner in Serbian jails.

If the squabbling leaders, who in effect all embrace the same goal, can unite for the first time, then Mr Hill has at least a chance of getting a deal that will last.

## NEWS DIGEST

## FERTILE EARTH EXCAVATED

## UN says Israel is taking away Lebanese soil

The UN Interim Force in Lebanon (Unifil) said yesterday its investigation had confirmed Beirut's claim that Israeli were taking fertile topsoil from south Lebanon across the border into Galilee.

Timur Goksel, Unifil's senior political advisor, said soil was being excavated in Israel's south Lebanon occupation zone, south of the town of Marjayoun, and taken south by truck.

Lebanon asked the United Nations and the European Union on Tuesday to stop Israel stealing soil from south Lebanon. Mr Goksel said it seemed the activity was carried out by civilians rather than the Israeli military, which controls the area.

According to the Unifil report, soil has been removed to a depth of 7-10ft in a 300ft by 1,000ft area south of Marjayoun. Reuters, Beirut

## TURKISH POLITICS

## New warning to Islamists

A member of one of Turkey's governing parties warned the main opposition Islamist party yesterday it could face the same fate as its banned predecessor. The warning followed a similar comment earlier this week by a strict secularist state prosecutor that the Islam-based Virtue Party was following the same path as the Welfare party, closed in January when it was accused of threatening the official secular order.

"Virtue is slowly forming a focus of crimes that was seen with Welfare," Ugur Aksoz, a senior member of parliament from the Motherland party, was quoted as saying by Anatolian news agency.

The warning came as police used batons and water cannon to disperse a thousand Islamists who had marched through central Istanbul to protest against restrictions on religious dress in colleges. Virtue became the biggest group in parliament after former Welfare MPs flocked to join its ranks. Reuters, Ankara

## CUBAN TRADE

## Havana signs insurance deal

Cuba's state commercial bank, Banco Nacional de Cuba (BNC), has signed an agreement with the London-based insurance broker Lambert Fenchurch that will allow it to obtain international insurance cover guarantees to gain access to fresh financing for trade and investment operations.

The agreement, signed in Havana this week, aims to provide a framework for overseas exporters to obtain political risk insurance for trade with Cuba. This would initially cover short-term financing operations. Squeezed by a long-standing US economic embargo and burdened by a foreign debt of more than \$10bn, Cuba's communist government has found it hard to gain access to financing, except at high-interest, short-term rates, to fund its economic recovery efforts. Only a few foreign governments provide official export credit cover for their exporters to trade with the Caribbean island.

In the absence of such official cover, the agreement between Cuba's BNC and Lambert Fenchurch, one of the world's top 10 insurance brokers, seeks to provide an equivalent in the private international insurance market. Pascal Fletcher, Havana

## UKRAINIAN ECONOMY

## IMF doubts on loan

An International Monetary Fund mission left Ukraine yesterday expressing doubts about the continued disbursement of a \$2.2bn, three-year loan conditional on Ukraine's ability to adopt a strict programme of market reforms. The latest \$78m tranche of the loan, for September, was disbursed last week. The October tranche, of equal size, is due later this month.

"Further resources from the IMF are likely to be disbursed as soon as measures envisaged under the EFF-supported programme are implemented," said Patrick Lelan, the IMF's representative in Kiev, who cited IMF concerns about a shortfall in budgetary revenue, delays in increasing administered prices, and the slow pace of reforms in the energy and agricultural sectors as potential obstacles.

Cash collection by the state budget fell 1bn hryvnia short of the programme's target of 7bn hryvnia for January-September 1998, because of an increase in barter payments to the budget in September, which the IMF had sought to ban.

In August, Ukraine's parliament overturned a critical piece of legislation raising tariffs on energy goods, which was one of the planks of the IMF's programme. Charles Clover, Kiev

## UN COMMITTEE BALLOT

## US candidate rejected

The US again failed to win a seat on a powerful United Nations financial oversight committee yesterday, but Britain will return to the 16-member body after a six-year hiatus. Susan Shearouse, the US candidate, received 55 votes of the 173 cast in the secret ballot. Nicholas Thorne, the UK missions' financial expert, was elected with 105 votes.

The western list of candidates included Klaus Stein of Germany and Gian Valenza of Italy, who received 92 votes each, necessitating a tie-breaking ballot for the remaining vacancy in their regional group which Mr Valenza won.

The US lost its place on the committee two years ago and diplomats attributed this latest failure in large part to the continuing backlash against Washington's failure to pay arrears on its UN contributions, now amounting to \$1.28bn. Michael Littlejohns, New York

## KAZAKHSTAN POLITICS

## No guards for ex-premier

Akezhan Kazhegeldin, the former prime minister of Kazakhstan whose bid to challenge President Nursultan Nazarbayev in January's presidential election has been blocked by the Kazakh electoral commission, cancelled his planned visit to Moscow yesterday after his Russian security guards said they were unable to guarantee his safety.

Lawyers for Mr Kazhegeldin said the security company which normally looks after him in Moscow had cancelled their contract the day before he was due to arrive on the grounds that "they had information [leading them] to believe they could not guarantee his safety".

Mr Kazhegeldin, widely seen as the only serious potential challenger to the increasingly autocratic President Nazarbayev, had planned to meet Russian officials and the press on his way home from Washington and Warsaw. Anthony Robinson, Moscow

FINANCIAL TIMES  
Published by The Financial Times (Europe) Limited, 100 Brook Street, London W1A 2JL. Registered in England. No. 100. Telephone: 020 7576 7000. Fax: 020 7576 7001. E-mail: ft@ft.com. Website: www.ft.com. The Financial Times is published daily except on Sundays and public holidays. The Financial Times (Europe) Limited is a subsidiary of The Financial Times Group Limited, which is a subsidiary of The Financial Times Group plc. The Financial Times Group plc is a public company listed on the London Stock Exchange. The Financial Times Group plc is a subsidiary of The Financial Times Group plc.

GERMANY: Responsible for advertising content: Colin A. Kennard, Editor. The Financial Times (Europe) Limited is a subsidiary of The Financial Times Group Limited, which is a subsidiary of The Financial Times Group plc. The Financial Times Group plc is a public company listed on the London Stock Exchange. The Financial Times Group plc is a subsidiary of The Financial Times Group plc.

FRANCE: Publishing Director: P. Maréchal, 42 Rue de la Boétie, 75008 Paris. Telephone: 01 47 33 60 00. Fax: 01 47 33 60 01. E-mail: ft@ft.com. Website: www.ft.com. The Financial Times is published daily except on Sundays and public holidays. The Financial Times (Europe) Limited is a subsidiary of The Financial Times Group Limited, which is a subsidiary of The Financial Times Group plc. The Financial Times Group plc is a public company listed on the London Stock Exchange. The Financial Times Group plc is a subsidiary of The Financial Times Group plc.

SPAIN: Responsible for advertising content: Colin A. Kennard, Editor. The Financial Times (Europe) Limited is a subsidiary of The Financial Times Group Limited, which is a subsidiary of The Financial Times Group plc. The Financial Times Group plc is a public company listed on the London Stock Exchange. The Financial Times Group plc is a subsidiary of The Financial Times Group plc.

## PORTUGUESE POLITICS SOCIALISTS TRY A REFERENDUM ON LOCAL GOVERNMENT CHANGES

## Lisbon devolution plan put to voters

By Peter Wise in Lisbon

"Portugal is Lisbon. The rest is just scenery." Most Portuguese believe the divide between the country's relatively affluent Atlantic coast and the poor, rural interior expressed in this popular saying is as wide as ever.

But in a referendum tomorrow voters are expected to reject the Socialist government's plan to change the landscape by dividing the country into eight administrative regions that would elect local assemblies and regional presidents.

Opponents say the proposal would create an unnecessary new political class, or "8 x Bureaucracy", "8 x Jobs for the Boys" and "8 x Corruption", as the campaign

boardings of the right-wing Popular party put it.

The Socialists have responded with posters promising "8 x Education", "8 x Investment" and "8 x Health Services". But the polls point unanimously to a victory for the "No" vote.

A defeat for the government would be a disappointment for Firmino Oliveira, schoolteacher, Communist party member and president of the neighbourhood council in Vaqueiros, a rural village in central Portugal. Officials in Lisbon have twice turned down his applications for funds to help restore a panel of 17th-century tiles in the village church, taking more than a year each time to reply.

"Government departments in Lisbon are too far away to know or care very much about a village like ours," he says. "If we could take our problems to local officials familiar with the region, I'm convinced we would get a quicker response."

Other villagers say they are confused by the conflicting arguments for and against "regionalisation". The opposition warns against a "leap in the dark". Even senior Socialist politicians admit to not having a detailed grasp of the plan.

Uncertainty could lead to a turnout of less than 50 per cent. This would not only render the vote void but probably also put an end to the use of referendums in Portugal for the foreseeable future. They were made possible only last year.

Fewer than 32 per cent of the electorate turned out for the country's first plebiscite, on abortion, in June, and a vote on European integration was cancelled when the constitutional court deemed the question to be misleading.

"A third floor would be too many in a row," says President Jorge Sampaio.

Portugal's 1976 constitution calls for elected regional administrations to further the "direct and active" participation of citizens in political life. But, apart from the creation of semi-autonomous regions in Madeira and the Azores, little was done.

"Portugal has not yet been able to free itself of the legacy of the Salazar dictator-

ship and remains one of the most centralised countries in Europe," says Fernando Gomes, the Socialist mayor of Oporto and a leading advocate of devolution.

But most voters appear to agree with critics who argue devolution would destroy national unity, undermine budgetary control, and create yet more bureaucracy.

However Portugal votes tomorrow, the problem of unequal development will not go away. "Portugal has advanced tremendously. But the gap in development between the coastal areas and the interior has remained the same or, possibly, grown even bigger," says Mr Sampaio. "I think everyone realises we have not done enough."



## INTERNATIONAL

US POLITICS HOUSE SPEAKER UNDER FIRE AS ACCUSATIONS FLY OVER MID-TERM ELECTION LOSSES

## Gingrich faces Republican wrath

By Richard Wolfe  
in Washington

Opposition to Newt Gingrich, the House Speaker, mounted yesterday as Republican congressmen openly campaigned against his re-election as well as that of other members of his leadership team.

Mr Gingrich's control of the House of Representatives appeared in doubt as his party rivals predicted a rebellion of up to 40 congressmen in the wake of the Republicans' poor showing in the mid-term elections this week.

Matt Salmon, an Arizona Republican, said there were at least seven congressmen who would vote against Mr

Gingrich's re-election as House Speaker. Even such a small opposition would be enough to overturn the Republican majority in the House, which was whittled down to just 13 seats after Tuesday's elections.

Mr Salmon said he blamed Mr Gingrich for the surprise loss of five Republican seats in the House, although the Speaker was credited with engineering the party's take-over of the House in 1994.

"Four years ago we won the Super Bowl," Mr Salmon told NBC television. "We haven't had a winning season since. We've got to change coaches or we'll lose our franchise."

Mr Gingrich remains the frontrunner to win the party

nomination in a secret ballot on November 18. However, potential rivals are already canvassing support for a campaign against him.

Robert Livingston, a Louisiana congressman and chairman of the House appropriations committee, has emerged as a possible contender for the Speaker's chair.

He is reported to have urged Mr Gingrich to step aside for the party's good.

Other members of the Republican leadership team were also fending off challenges from party rivals yesterday. Dick Armey, the House majority leader, faces a re-election battle against Steve Largent, an Oklahoma congressman, for the second

most powerful position in the House.

Announcing his campaign, Mr Largent joined in the condemnation of the party leadership. "I think it is abundantly clear that on November 3 the Republican party hit an iceberg," he said. "And I think the question that is before our conference today is whether we retain the crew of the Titanic or we look for some new leadership."

In an apparent reference to the partisan battles over federal budgets and the Monica Lewinsky scandal, Mr Largent said there was a desperate need to "heal the alienation" between Republicans and Democrats, as well as Republican in-fighting.

"There is a deep divide that exists in all those relationships and I believe one of the things that I can bring to the table is an effort and a spirit to heal the alienation and to begin a reconciliation process that can move us forward and develop a constructive agenda that improves America for all people."

Mr Largent said he had already launched a telephone campaign and won "broad support across the conservative and moderate spectrum".

He also predicted there would be further "multiple" challenges to Mr Gingrich's position as House Speaker, but refused to identify any possible contenders.

## Jerusalem bombing strengthens extremists

By Judy Dempsey in Jerusalem

When President Bill Clinton was told about yesterday's suicide bomb attack in Jerusalem, he repeated verbatim what he said at last month's signing of a new Israeli-Palestinian interim peace accord.

"The enemies of peace will try to destroy the Wye accord."

After the second suicide bomb attack in 10 days - the first was against a Jewish settlement in Gaza - US diplomats said they were "desperately trying to save" the two-week old Wye accord, in which Israel is to hand over 13 per cent of West Bank land to the Palestinians in return for security guarantees.

But for all the hope at the Wye Plantation talks, the accord hit hurdles as soon as Benjamin Netanyahu, Israel's prime minister, returned home to face his nationalist constituents.

"The situation is explosive," said a US diplomat. "We have a lot to do if we want to save the accord. The bomb attack plays into the hands of extremists on both sides."

US officials, traditionally, have been reluctant to criticise Israel. The Wye accord seemed to have changed that. Mr Clinton invested enormous time at the

placating his prestige on the line to put the Middle East peace process back on track.

Mr Clinton, said officials, had hoped Mr Netanyahu and Yasser Arafat, president of the Palestinian Authority, would build on the fragile relationship that had evolved during the nine-day Wye summit. "Since then, Netanyahu, I'm sorry to say, has been very difficult," said a US official.

To convince hardline nationalists that he had not sold them out, Mr Netanyahu announced the expansion of Jewish settlements in the West Bank and East Jerusalem, disregarding the call in the Wye accord for an end to unilateral actions. Instead of seeking immediate cabinet support for the accord, he delayed, giving sceptical ministers and his Likud party the chance to pick holes in it. Even worse, the delay may have encouraged the bombers to try to sabotage the deal.

Mr Netanyahu also arranged a short Hebrew translation of the official English version which contains several discrepancies with the original text. It stated, for example, that the National Council of the Palestine Liberation Organisation would next month vote again to annul clauses calling for the destruction of

Israel. This was never stated in the accord.

The US has praised the Palestinians for sticking to the Wye accord, despite the fact it gave Palestinians only 40 per cent of the West Bank - and without written commitments that Israel would stop expanding or building new settlements. "Arafat cashed in his cheque," said Ghassan Khatib, a former peace negotiator. "He wanted this accord."

Last week, Palestinians arrested leading Hamas Islamist opponents of peace with Israel. They still hope that the Central Intelligence Agency can be the arbiter in disputes between them and Israel over how Mr Arafat combated terrorism. Israel, on the other hand, increasingly resents having given an outsider such a role.

Some senior Israeli officials said the weakness of Wye lay as much in the oral undertakings as in the new role of the US. Mr Arafat, for example, agreed to arrest 30 suspect killers of Israelis. Israel wanted that in writing from the US. Washington refused.

Having carved out the role of honest broker for himself, Mr Clinton cannot allow politicians of either side to derail the peace accord. He will have to convince them to work together. Otherwise, the bombers will have won.

## US 'public enemy number one' sees options narrowing

Saudi dissident Osama bin Laden may soon start to find Afghanistan a precarious hiding place, writes David Gardner

This week's US grand jury indictment of Osama bin Laden, the man Washington wants in connection with the bombings of its embassies in Nairobi and Dar es-Salaam in August, will not of itself make it any easier to apprehend him in his fastness in Afghanistan.

Yet it is but the latest in a sequence of developments which suggest the wealthy Saudi dissident - chief of a skilled and itinerant Islamist army implacably opposed to the US and its allies - may soon find Afghanistan a precarious haven from which to operate.

Mr bin Laden, who in the 1980s fought alongside the Afghan mujahideen at the head of Arab volunteers in the US-backed war to dislodge the Soviet Union from Afghanistan, moved back there from the Sudan in 1996, coinciding with the Taliban militia's seizure of Kabul from rival Afghan groups.

Since then, the Taliban has won control over 90 per cent of the country.

Top of its priorities now is winning international recognition as Afghanistan's government. Like Sudan's Islamist government before them, however, Taliban leaders are finding the cost of hosting Mr bin Laden can be high.

Until now, only three countries have recognised the Taliban - Saudi Arabia, Pakistan and the United Arab Emirates, a junior ally in the Saudi-dominated Gulf Co-operation Council. The first two were, along with the US, the main backers of the mujahideen and the Arab volunteer brigades during the war against the Soviet Union.

But both came to see the "Arab Afghan" phenomenon as a liability after the war, when these battle-hardened Islamists fanned out across the Middle East, north and east Africa, and parts of the Balkans, central and south Asia, turning their guns on their own and US-allied governments.

Moreover, Saudi support for the primitive fundamentalist movement of the Tal-



Bin Laden in hiding

ban was inspired in part by the hope that it would shut down the Arab Afghan network in general and Mr bin Laden in particular.

Because this has not happened, the Saudi and Pakistani governments, under pressure from the US, are withdrawing support for the Taliban, leaving it more isolated than ever.

In September, Riyadh withdrew its ambassador from Afghanistan without explanation, while Islamabad has radically downgraded its embassy in Kabul. Senior Saudi officials say the Taliban is now virtually broke, deprived both of funding from Saudi Arabia, and of its revenue from the heroin traffic interrupted by the concentration of Iranian troops on its border - Tehran's response to the Taliban's murder of nine of its diplomats.

According to al-Quds al-Arabi, a London-based pan-Arab newspaper with which Mr bin Laden keeps in intermittent touch, the Taliban breach with Riyadh follows several Saudi attempts to force the expulsion from Afghanistan of the Arab Afghan leader. Like the Americans, the Saudis appear to have concluded that Mr bin Laden's network was behind two bomb attacks in the kingdom in 1995 and 1996 against US military installations, which killed 24 American servicemen.

In June, Prince Turki bin Faisal, the Saudi intelligence chief who helped organise the Arab volunteers during

the 1980s, held secret talks with the Taliban in his Kandahar headquarters to press for a solution to the bin Laden problem.

According to some accounts, the Taliban was offered in exchange the prospect of US recognition, and Afghanistan's seats at the United Nations and the 54-nations Organisation of the Islamic Conference (OIC).

Prince Turki returned in September to try again, but after the Taliban failed to respond, Riyadh withdrew its ambassador.

Then last month, after a visit to Islamabad by Crown Prince Abdullah, the Saudi heir apparent, Nawaz Sharif, Pakistan's prime minister, said his government would seek "the elimination of any terrorism sprouting from the soil of Afghanistan". The Karachi stock market immediately shot up, on the apparent assumption the Saudis would help Pakistan through its financial problems, exacerbated by US-led sanctions Pakistan's nuclear explosions last May.

Put another way, if the Taliban's only two real backers have decided their position has changed because the movement is harbouring Mr bin Laden - US "public enemy No. 1" after the grand jury indictment - how long will it take the Taliban itself to conclude he has become too hot to handle? Afghan factional politics, moreover, are notoriously treacherous and fickle, notwithstanding ritual declarations about tribal hospitality and Islamist solidarity.

Already, Mullah Mohammed Omar, the Taliban's spiritual guide, has said it is willing to try Mr bin Laden if evidence against him is provided. The Taliban, ideologically anchored in the Middle Ages, may not be very worldly. But it may just be aware of the last time a US grand jury so clearly identified a foreign bogeyman: Gen Manuel Antonio Noriega. In 1989, the Americans invaded Panama to get him. Afghanistan, of course, is not Panama. But nor is Mr bin Laden its leader.

## Cohen berates Iraq over UN weapon checks

By Nicola Khatib in London

William Cohen, US defence secretary, called on Iraq again yesterday to rescind its ban on United Nations weapons inspections, a day after a unanimous UN Security Council resolution demanded immediate and unconditional resumption of co-operation.

Mr Cohen was in Turkey yesterday, after visiting US allies in the Gulf and Jordan. Sandy Berger, US national security adviser, prepared for a trip to Europe for consultations with allies to co-ordinate a tough response to Iraqi defiance.

Britain is also sending senior officials to the Middle East to explain the need for a tough response to Iraq. George Robertson, US defence secretary, is expected to travel to the Gulf tomorrow.

"We're hoping that [Iraqi President] Saddam [Hussein] will take action to reconsider his flagrant violation of the Security Council resolutions..." Mr Cohen said.

Baghdad did not officially react yesterday to the UN resolution, but Abdul-Ghani Abdul-Ghaffar, a senior member of the ruling Baath party, said: "Iraq will not retreat from its decision unless there is a clear response to its legitimate demand to lift the unjust embargo."

A leading government newspaper, meanwhile, announced that millions of Iraqis were already receiving arms training to face US military aggression.

The Security Council on Thursday condemned Iraq's weekend decision to cripple the work of Unscop, the UN commission charged with dismantling Iraq's weapons of mass destruction. The resolution did not threaten the use of military force, and reiterated the council's readiness to hold a comprehensive review of sanctions if Iraq resumes co-operation.

However, the US and Britain believe they have the legal justification for a military strike if Baghdad refuses to reverse its ban on weapons inspections. Off-

icials have made clear all options for dealing with Baghdad were on the table, including the use of force.

US officials said Mr Cohen, in meeting allies, did not specifically seek backing for a military strike on Iraq but was aiming to explain that all options to deal with Baghdad were being considered and to win support for the view that Mr Saddam bore the responsibility for the conflict with the UN.

The US is hoping that with the recent interim peace agreement signed between Palestinians and Israelis and the gravity of the Iraqi actions, the Arab world will be less opposed to a military attack on Iraq, should the US decide to take that course. Arab newspapers, however, reported this week that Mr Cohen was urged to search for a diplomatic way out of the crisis, even though Gulf governments agreed on the need for Iraq to comply with UN resolutions.

## US to airlift Mitch aid

By Our International Staff

The US will today launch a big airlift of aid to Central American countries devastated by Hurricane Mitch, which recent estimates suggest may have claimed 11,000 lives.

Bill Clinton, US president, said he hoped the \$70m aid package, accompanied by a US delegation led by Hillary Clinton and Tipper Gore, wife of the vice-president, would "inspire a global relief effort for the region".

The package includes \$30m of military equipment

to assist in the search for the 13,000 victims as yet unaccounted for in remote regions of Honduras, Nicaragua, El Salvador and Guatemala, along with \$20m in emergency food and supplies. This, Mr Clinton said, would be followed by an additional \$16m of disaster assistance over the coming week.

The airlift follows stinging criticism from Mexican officials that the US was dragging its heels over aid.

Yesterday, President Ernesto Zedillo, renewed his call for international aid to

help Mexico's neighbours.

In a letter to Mr Clinton, the leaders of Japan, European Union nations, and multilateral organisations, Mr Zedillo appealed for the international community "to unite all possible forces".

Earlier this week Mr Clinton warned that Central America was facing the greatest human and social tragedy in its history.

Mexico has mounted one of the biggest airlifts in its history while Europe has announced approval of \$8m in humanitarian aid.

COUNTRY REVIEWS... 191 COUNTRIES... 191 REPORTS  
Political, Economic, Corporate, Environmental Trends  
Commercial Data International, Inc.  
\$UN \$495 per Report with significant discounts for multiple orders...  
191 reports for \$US \$200  
Order on the Web at <http://www.cdiinternational.com>  
Call 1-888-865-9251 (toll free in US) or 1-212-552-5000 (outside US) or fax at 1-212-552-5008

The FT GUIDE TO WORLD CURRENCIES, published in Monday's newspaper and covering over 200 currencies, is now available by dialling the following number from the keypad or handset of your fax machine: 0891 437 081.  
Calls are charged at 30p/min plus one and 40p/min at all other times. For service outside the UK please telephone +44 171 873 4378 for details on Cityline International.

FutureSource  
High speed, high quality real-time data on Futures, Options and FX.  
Charting and analysis software including:  
Advanced GBT real-time  
For FIBOS, Info, and other systems.  
Call 0800 885 887  
or E-mail [enquiries@futuresource.com](mailto:enquiries@futuresource.com)

The new Weekly Petroleum Argus  
Weekly intelligence brief on energy, investment and politics  
Petroleum Argus  
Free trial: 44 (0) 1753 693 493 Email: [sales@petroleumargus.com](mailto:sales@petroleumargus.com)

If you would like to advertise,  
or require any  
further information,  
please contact: Sherie Donovan  
Tel: 0171-873-4928 Fax: 0171-873-3062

## LEGAL NOTICES

No. 025966 of 1998  
IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

IN THE MATTER OF  
SCANDONER INVESTMENT  
COUNTRIES FUND PLC  
and  
IN THE MATTER OF THE  
COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 21st October 1998 presented to the Hon. Mr Justice of the High Court of Justice for the confirmation of the liquidation of the Share Premium Account of the Company in the sum of £71,425,877.

ANY Creditors or Shareholders of the said Company wishing to oppose the said Order for the confirmation of the said liquidation of Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

DATED the 7th day of November 1998  
Slaughter and May,  
33 Abchurch Lane,  
London EC4N 3DF.  
Tel: 0171-400 1200  
Ref R25NDPQ00000

To Advertise Your  
Legal Notices  
Please contact  
Melanie Miles on  
Tel: 0171-873-3349  
Fax: 0171-873-3064

## To Advertise

Your  
Legal  
Notices

Please contact  
Melanie Miles  
on  
Tel: 0171-873-3349  
Fax: 0171-873-3064

After refinement of proportion and finish gives the Breguet style timeless appeal. The delicate hand-worked guilloché engraving on the silvered gold dial was introduced by Breguet around 1786 and requires a level of artistry rare now and then ever.

One of Breguet's most ingenious calibres is also one of the most recent. First put to rest in 1991, it combines in a perfected a perpetual equation of time - showing the difference between mean time and true solar time - and a perpetual calendar.

Conceived by Breguet in 1786, the automatic movement featured an oscillating weight that revolved the moonphase. Today the craftsmen's hand decorates the weight with fine guilloché engraving to complement the beauty of the movement.

The celebrated "poisson" hands in blue steel are now known the world over as Breguet hands. Created in 1783 by Abraham-Louis Breguet, they symbolise the finest craftsmanship and style of the Breguet you select today.

By inventing the hourbillon device around 1795, Breguet eliminated the influence of gravity on the accuracy of the watch. This pivotal invention is seen at its best in the current collection, which has a number of fine hourbillon watches.

**Invented for you**

A Breguet watch has a unique responsibility: it comes to you carrying the name of Abraham-Louis Breguet, the greatest watchmaker ever known. You will recognise it by the legendary "Breguet" hands, the shimmering guilloché dial, and the finely fluted case band that give your Breguet its strong character. Most important, it will house a hand-finished movement, as imitable and inventive today as two hundred years ago. Wear it with pride, you have chosen an exceptional watch.

**Breguet**  
Depuis 1775

To obtain the Breguet catalogue please send your name and address to fax number +41 21 841 90 84, indicating code no "1".  
MONTRES BREGUET SA - 1504 L'Abbaye - Switzerland - Phone +41 21 841 90 80



## INTERNATIONAL

# New Tokyo plan to protect investors

By Gillian Tett in Tokyo

Thirty-seven foreign brokers in Tokyo said yesterday they would establish a breakaway investor protection fund next month because they fear that an official Japanese fund will not meet international supervisory standards.

The decision threatens to leave Japan as the first country in the world that operates two separate investor protection funds.

Consequently, it paves the way for a potentially damaging row between foreign brokers and some of their Japanese rivals in the coming weeks, since it is unclear whether the government will approve the new fund.

Some bankers are warning the battle could be a litmus test of the government's commitment to "Big Bang" deregulation. As one foreign banker said: "If it turns political, this will essentially be a referendum on Big Bang."

The issue has risen following the government's insistence that all brokers contribute to a new investor protection fund from December 1. The brokers' decision reflects concern that rising competition in Japan's financial markets will lead to widespread failures among weak Japanese brokers in the coming years.

The Japan Securities Dealers' Association, the industry body, has already devised a scheme for its own protection fund. This would aim to raise ¥50bn (\$430m) over the next two years, of which ¥15bn would be drawn from member contributions.

However, foreign brokers insist the fund does not meet international supervisory standards, since it does not force brokers to segregate their assets rapidly. This means that ailing brokers could plunder client accounts if they ran short of cash - and leave the mem-

bers exposed to unlimited liability for losses.

Some foreign bankers fear that the Japanese government is in effect trying to force wealthy banks to bail out weak brokers, as the "price" for market entry. Over the last year, the foreign brokers have been winning an unprecedented level of market share and now account for more than 30 per cent of all trades on the Tokyo stock exchange.

"This is not about our willingness to contribute to an insurance fund. Rather, our concern is about the fund's design, specifically, establishing reasonable limits to industry liability," the foreign brokers said in a statement. "We believe the fund proposed by the JSDA falls short of addressing the critical issues... which will lead to a restoration of confidence in Japan's capital markets." The foreign brokers said yesterday a second fund was legally permitted.

## Japanese ponder how to spark a spending binge

Gillian Tett and Michio Nakamoto report on local government experiments with subsidised shopping vouchers

In a scruffy office in Tokyo's Minato-ku district, an experiment is under way that might make orthodox economists blink.

Minato's local government has started giving residents "shopping vouchers" in an effort to start a spending binge.

"This is our very own idea - we think it is quite original," said Yasuhisa Watanabe, Minato-ku's commerce director, as he proudly waved a voucher, embossed with a large "¥500" (worth about \$4.25) and a variety of traditional flowers. "We think it will help people to start spending money and help our local shops."

The big question now for the Japanese economy is whether Mr Watanabe's logic is correct. On November 15, the ruling Liberal Democratic party is to unveil a new ¥10,000bn (\$850bn) package to boost the economy. Komeito, a Buddhist-backed opposition party, is demanding that up to ¥4,000bn of this be spent copying Minato's scheme. In



A Japanese shopping voucher: but will it trigger a nationwide spending binge?

particular, it wants to give ¥30,000 shopping vouchers to every Japanese family in an attempt to trigger a nationwide spending binge.

The LDP insists any scheme should be restricted to low-income families. Some senior party members, including Fumio Yamashita, former LDP policy head, Koichi Kato, former chief cabinet secretary, and Junichiro Koizumi, previous contender for the party presidency, are openly critical of the scheme as an "idiotic" idea. But LDP politicians yesterday indicated that some form of voucher scheme would be adopted in the coming weeks, not least because the party needed Komeito's support to push crucial bills through parliament.

Supporters of the scheme are insisting that the plan could provide an innovative way to counter consumer gloom. Their reasoning starts with a recognition that tax cuts are barely working in Japan. Consumer spending has continued to fall, in spite of a round of tax

cuts over the past year, because consumers have been saving, not spending, their tax breaks. But shopping vouchers could actually get consumers spending.

Some bureaucrats have questioned this logic, pointing out that gloomy households may still find ways to avoid buying goods, possibly by selling the vouchers into a secondary "black market". A survey carried out by the Tokyo Chamber of Commerce found that more than half of the respondents believed the coupons would not be very effective in stimulating consumption. More than 15 per cent believed they would have a negative effect in the long run.

But the local governments that have tried the experiment are enthusiastic. Sonobe, a district of Kyoto, for example, first started toying with the idea last year, when the mayor distributed some free shopping vouchers to

mark the construction of a bridge. These proved so popular that this spring, Sonobe started selling subsidised vouchers to local residents. The town is taking some credit for the LDP's conversion to the idea: its mayor, Kazumi Nonaka, is a brother of Hiromu Nonaka, the cabinet secretary and a leading LDP policymaker. "The vouchers can be used at any shops, such as restaurants, hairdressers, petrol stations or repair charges for plumbing," explained Kazuo Sakaguchi, a town official. "It is good to vitalise the town."

Minato tells a similar tale. Last year it gave ¥98m vouchers to "needy" local citizens. It then began selling subsidised vouchers, which were so popular that they sold out within two months. "I think because interest rates are so low, people think that they can get more value by buying the vouchers than saving their money in a bank," said Mr Watanabe, who points out that over 2,000 shops have joined the scheme.

But as Mr Watanabe admits, there is still a crucial catch. So far, fewer than two-thirds of the ¥369m vouchers have actually been spent. This implies that some consumers are still choosing to "save" some of the vouchers, which do not have an expiry date - just as they would save cash.

Minato insists that the other third will probably be spent "soon". The LDP says it will avoid this problem by ensuring the vouchers carry an expiry date. But some officials fear that the problem will dog any nationwide scheme, however carefully constructed. "We will make the scheme as effective as we can," said one bureaucrat. "But unfortunately it seems that you cannot always force people to go shopping."

## Liquidity squeeze spreads into northern China

By James Harding in Shanghai and Louise Lucas in Hong Kong

Financial problems at China's investment agencies appear to be spreading to the north of the country, with Dalian becoming the latest of the window companies to miss a foreign debt repayment.

Dalian International Trust and Investment (DITIC) missed a payment due on October 23, according to Sanwa International Finance, which was due a \$5m principal payment on a \$20m certificate of deposit (CD).

However, Sanwa and the other lenders, Westdeutsche Landesbank and Kreditbank Hong Kong, have not declared a default. Bankers Trust, which is acting as paying agent, said it had not

been approached by the lenders.

The problems at Dalian DITIC, the fund-raising arm of the municipal government of one of north-east China's most prosperous commercial centres, underline the extent of the liquidity squeeze facing trust and investment companies across China.

One foreign banker in Shanghai said: "There are a lot of problems ahead of us. The international banking community is holding back... it is going to affect anybody with maturing foreign liabilities."

China's international trust and investment corporations - "litics" - have been struggling to repay maturing overseas debt since the sudden closure last month of Guangdong International Trust and Investment Corpo-

ration. The closure of Gitic, which had foreign debts of more than \$2bn, alarmed foreign banks, many of which have stopped new lending to litics, called in their credit lines and cancelled roll over loan agreements.

A number of other litics, mostly from Guangdong province in southern China, have since defaulted on loans to foreign banks. A trust and investment company from Hainan, the island off China's southern coast, has also defaulted on a loan. It emerged this week. Fujian litic, up the coast from Guangdong, is also understood to be facing liquidity pressures. But the default by DITIC suggests that trust and investment companies all across China may be running into difficulty.

## US call to EU on Asia trade

By Guy de Jongh in Charlotte, North Carolina

The European Union risks triggering a protectionist backlash in the US, unless it opens its market wider to imports from troubled Asian economies, William Daley, US commerce secretary, said yesterday.

He also told a meeting of US and European business leaders that Japan's growing trade surplus with non-Asian economies was a "major source of instability", which could create political unrest in other countries by causing workers there to fear for their jobs.

Mr Daley's remarks are the toughest US warning on trade since the outbreak of

the Asian economic crisis last year. They coincide with growing demands by US steel companies and unions for action by Washington to stem a rapid rise in Asian imports.

The commerce secretary said US imports of hot-rolled steel from Japan had increased more than five times this year, and the US bought 10 times more Japanese steel than did the European Union.

"We cannot sustain these rates. We alone cannot absorb all of Asia's imports. We will not be the dumping ground for troubled economies... unless Europe does more, there could be a huge public outcry that is loud enough to rekindle the fires

of protectionism," he said. Sir Leon Brittan, Europe's trade commissioner, said although EU imports from Asia were smaller than those by the US, they had risen faster so far this year. The EU would keep its market open to imports from troubled Asian countries, provided they fulfilled pledges to the International Monetary Fund to reform and liberalise their economies.

Sir Leon and Mr Daley both warned that they would rigorously implement anti-dumping policies against unfair trading practices by exporters in other countries. The US and EU also agreed in principle yesterday to launch a new drive to lift transatlantic trade barriers

and to try to align their positions in advance of negotiations due to start in the World Trade Organisation in the next two years.

Under a Transatlantic Economic Partnership plan, due to take effect this year, the two sides will focus on eliminating non-tariff barriers to trade by seeking to harmonise their regulations and standards and opening their services markets further. However, US-EU frictions re-emerged yesterday over threats by Washington to retaliate against the EU in a lengthy dispute over its banana regime. Sir Leon warned the US it would be "playing with fire" if it imposed unilateral measures without WTO approval.

## Sweden mulls cuts in defence spending

By Tim Burt in Stockholm

The Swedish government is considering a radical overhaul of its defence procurement activities in an attempt to contain defence spending over the next 10 years.

A study commissioned by FMV, the Swedish defence procurement agency, has recommended a 17 per cent reduction in staffing and more international purchasing by the organisation.

The recommendations, if embraced by the government, could reduce the payroll at the agency by more than 400 to 2,150.

The 62-page report on FMV, produced by the Swedish arm of UK consultants Ernst & Young, suggested the agency could do more to exploit international consolidation in the defence industry by sourcing more equipment overseas.

That could also have a dramatic impact on orders placed with Sweden's defence manufacturers, which rely heavily on the FMV for weapons and support services contracts. "This could mean that the FMV could buy more from other countries than in Sweden," said one of the report's authors. "It has to build competence and knowledge about foreign arms manufacturers and what they can offer."

The study marks the latest stage of a long-running campaign by the Swedish ministry of defence to achieve savings of some SKr2bn (\$255m) a year over the next five years. Last month, Sweden's armed forces chiefs proposed a raft of options - including manpower cuts and reduced conscription periods - to help contain the country's annual defence budget at SKr15bn up to 2010.

The government has ordered substantial savings after deciding that Sweden, which is not a member of Nato, faced a reduced risk in the Nordic region and Baltic Sea basin following the collapse of communism in the former Soviet Union.

The FMV, which has annual revenues of SKr22bn, said it had not reached any final decisions following delivery of the Ernst & Young report, compiled during August and September.

Among its recommendations, the consultants suggested the FMV could out-source more non-core functions, including responsibility for spares and maintenance and military stores.

Most of the proposed job cuts would involve the transfer of personnel involved in stores and maintenance functions either to the armed forces or to private contractors. It is understood that the cuts, if accepted by FMV, would be phased over three years.

The consultants stressed, however, that their report did not suggest the procurement agency was ineffective.

## Canadian jobless 8-year low

By Edward Alden in Toronto

Canada's unemployment rate last month fell to its lowest level since July 1990, dropping from 8.3 per cent in September to 8.1 per cent as Canadian businesses continued to hire despite fears of a slowing economy.

The strong October performance is the second straight month in which the Canadian labour market has shattered expectations, and may cause some revisions in the economic outlook for the year ahead. The current consensus is for growth of roughly 2 per cent in 1998, but most economists had predicted no job growth at all last month.

Another 57,000 jobs were added in October following a gain of 73,000 jobs in September, bringing yearly gains to 322,000 jobs, a 2.3 per cent increase over 1997.

The employment report will take pressure off the Bank of Canada to lower Canadian interest rates further, although the central bank is expected to match any future rate cuts by the US Federal Reserve.

After a dismal summer punctuated by strikes in the motor and construction sectors, a plunging dollar, four months of declining gross domestic product and a 25 per cent drop in the Toronto Stock Exchange, the Canadian economy has been regaining some steam.

"It's great news in an environment where there has been a bit too much gloom," said Craig Wright, deputy chief economist at the Royal Bank of Canada. "In the summer, there was a number of negative hits that over-exaggerated the slowing growth."

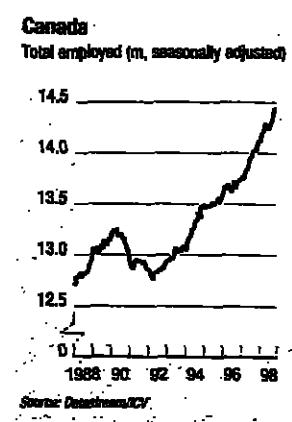
While corporate profits

have generally been weak in the third quarter, the TSE 300 index over the last month has recovered almost half the ground it lost in the summer, manufacturing shipments are recovering strongly and the Canadian dollar has stabilised at more than 65 US cents.

Economists cautioned that the October employment rebound still leaves employment only slightly above March levels. In addition, recent weak reports on housing starts and motor vehicle sales in October indicate weakness in the domestic consumer economy.

Canadian growth remains wedded to developments in the US, which absorbs about 85 per cent of exports.

The October employment figures showed a robust full-time jobs and private sector jobs. Over the past few months, most job cre-



ation had been in part-time, public-sector or self-employed positions. There were also significant employment gains in every sector except primary resources, which has shed 13 per cent of its workforce in the last three months as commodity prices remained weak.

## Killing spree jolts Indonesia

By Sander Theones in Jakarta

Achmad Sobari's crime was asking for it. His punishment was death by lynching. Dozens of inhabitants of Bojone Gede, a small town 50km south of Jakarta, beat him senseless earlier this week, gouged his eyes, stuffed him in a bag, drove a car across his body just in case he had survived the beating, and then dropped off his corpse at the local hospital.

The people of Bojone Gede were convinced Mr Sobari had come to murder Mr Matsuuro, their *kiai*, or Islamic teacher. A mysterious spree of killing more than 140 *kiai*, sorcerers and other people has swept across the crowded island of Java in recent months, leaving millions of people in fear and, sometimes, mass hysteria. "One night earlier this week, two men entered the house of the *kiai* while he was praying and attacked him with a machete," said Aji Sujana, one of the *kiai*'s neighbours. "He survived only because he has *ilmu* [magic power]."

"The next day this man drove up and asked where the *kiai* lived," added Mr Sujana. "People asked him what he wanted but he just grinned like a madman and said 'money, money'. So they beat him." Maybe Mr Sobari was an assassin. Maybe he was just mad.

Most of the recent victims have been neither sorcerers nor *kiai* but innocent passers-by, who were mistaken for assassins, including several who were mentally ill. Three undercover policemen were lynched when the thief they were chasing turned around and started shouting "ninja", the nickname for figures of professional killers who dress in black and operate at night.

Prosecutors are preparing a mass trial of at least 157 suspects they have rounded up, but the killings continue. In some cases, villagers have admitted to killing sorcerers themselves, blaming them for causing sickness or accidents. The sorcerers, called *santet*, play their trade mainly with Moslems, who mix the Koran with pre-Islamic beliefs.

Some analysts believe these killings sparked a backlash against *kiai*, who represent a more orthodox Islam but claim magical powers too. This raised fears of a further escalation in violence, as the recent killings started in the same part of eastern Java where thousands of villagers were murdered in 1965 and 1966, accused of communist sympathies but often resented for unorthodox beliefs.

Indria Samago, a political analyst, accused some *kiai* of stimulating attacks to rekindle support from villagers and spark renewed attacks on the *santet*. Mr Matsuuro, for instance, had only scratches to show for the alleged machete attack.

Many Javanese, however, blame gangs of *ninjas*, or Javanese puppet master, was pulling the strings. Abdurrahman Wahid, leader of an orthodox Moslem organisation of *kiai*, has accused members of the cabinet of organising the killing spree to paralyse his group. He has tried to link up with a popular nationalist party,

which leans to non-orthodox Islam. Amien Rais, a prominent Moslem leader, suggested army officers might have organised the killings in an effort to spark calls for the military to restore order and end Indonesia's experiment with democracy.

In at least one case, a detained suspect said he had been trained by the military. When villagers banded over four active soldiers to a local jail, accusing them of planning killings, police let the four get away.

Conspiracy theories run wild any time in Indonesia but a government fact-finding team gave credence to one of these earlier this week when it concluded there was sufficient evidence to believe that military officers had been among those who instigated massive riots in May.

If there is a *dalang*, he is playing with fire. The killing spree of 1965-66 left more than half a million dead. "Violence has its own logic," Mr Rais said. "Once you unleash it, you can't control it."

### BUSINESS OPPORTUNITIES

**CANNERY. CAPACITY REQUIRED**  
We are seeking a canning facility with spare capacity for large volumes of regular contract canning.  
Reply: Box Number 56176, Financial Times, One Southwark Bridge, London SE1 8HL

### LEGAL NOTICE

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES ACT 1985  
IN THE MATTER OF  
WASTE MANAGEMENT  
INTERNATIONAL PLC  
and  
IN THE MATTER OF THE  
COMPANIES ACT 1985  
NOTICE IS HEREBY GIVEN that the order of the High Court of Justice, Chancery Division, dated 2nd November 1998, confirming a Reduction of Capital from £10,000,000 to £2,500,000, which a capital map, subsequently re-issued to its former members and the company, approved by the Court showing the altered share capital and the particulars of the shares, has been registered by the Registrar of Companies on 3rd November 1998.

DATED the 7th day of November 1998  
Solicitors for the Company  
MCM

### BUSINESS SOFTWARE

**PROCESS MODELLING**  
For  
Business Process  
Re-engineering  
and  
Continuous Process  
Improvement  
with  
KAISHA MODELER PRO:  
The best tool to bring effective change! Over 2000 users worldwide in all industries. Easy to use, low price for Windows 95/NT.  
Check out [www.kaisha-ec.com](http://www.kaisha-ec.com)  
email: [giong@kaisha-ec.com](mailto:giong@kaisha-ec.com)  
Free demo available  
In UK call: 01695-728840  
Belgium: 31-36-8218580

### Open for business.

Home and Office Software.  
For more information please call:  
Tel: +44 171 873 3630  
Fax: +44 171 873 3664

### BUSINESSES FOR SALE

**FOR SALE**  
Business for sale in a prime location in a thriving area.  
Turnover: £100,000 per annum.  
Profit: £20,000 per annum.  
Reply: Box Number 56176, Financial Times, One Southwark Bridge, London SE1 8HL

### SPECIALIST ENGINEERING COMPANY

For Sale  
Automotive Industry  
Capital Equipment  
Patented Core Product  
Developed over 15 years  
Unit Value Range £10,000-£20,000  
Proven Turnover £1m GP 25%  
Located in East Midlands  
Reason for sale: RETIREMENT  
Box 56177, Financial Times, One Southwark Bridge, London SE1 8HL

### BUSINESS SOFTWARE

**CONVERTIBLE BONDS**  
LAUNCH OVERVIEW  
Universal Convertibles Add-In  
Getting a new industry standard for accuracy, speed and price  
Analysis portfolio of Convertible Bonds (including callable and anti-call) with associated call, put, conversion and credit spreads. Improved risk monitoring via links to Excel spreadsheets, real-time bond and share databases. Uses a multi-tiered internal no-arbitrage lattice tree, with Brown reversion.  
Innovative Barista Risk Management (Financial Systems Software (FSS) Ltd)  
Established 1988 - 20,000 users globally  
Warford Court, Thornington Street  
London EC2N 2AT  
Tel: +44 773 228 207  
Fax: +44 773 228 208  
E-mail: [info@fss.com](mailto:info@fss.com)  
Visit our website: [www.fss.com](http://www.fss.com)  
and download FREE 15 DAY TRIAL

### Technical Analysis Software INDEXIA

Real-time & End-of-Day  
with the following feeds:  
• Free Real-time data from N-TV, Sky Text & Cefax  
• Real-time & delayed data from ProReal, Market-Eye, DBC Signal, Quotem, BBS, Reuters  
• End-of-Day data from ComFeed, ESI, RegisData, CSI, StockData  
[www.indexia.com](http://www.indexia.com)  
INDEXIA Research Ltd  
111 High Street, Bournemouth  
Bournemouth BH1 1AA, UNITED KINGDOM  
Tel: +44 (0)1425 576615  
Fax: +44 (0)1425 576616

### UNIVERSAL ADD-INS

"Barista" Desktop Options: Future-Smart  
"No Arbitrage Volatility Term Structure"  
"Portfolio Sensitivity Analysis"  
"Multi Asset Monte Carlo Analysis"  
ASFIN provides the most widely used analytical models, financial calculations, advanced derivative portfolio analysis, source code, consultancy and risk management training. Fully integrated with Excel, Access, Visual Basic, C and C++.  
Can be linked with most real-time feeds.  
Innovative Barista Risk Management (Financial Systems Software (FSS) Ltd)  
Established 1988 - 20,000 users globally  
Warford Court, Thornington Street  
London EC2N 2AT  
Tel: +44 773 228 207  
Fax: +44 773 228 208  
E-mail: [info@fss.com](mailto:info@fss.com)  
Visit our website: [www.fss.com](http://www.fss.com)  
and download FREE 15 DAY TRIAL

Contact: John Ormrod  
or Lawrence Sheen  
Telephone: +44 (0) 1624 624957  
Fax: +44 (0) 1624 624763



SCOTLAND ATTACK ON INDEPENDENCE CAMPAIGN COMES IN ADVANCE OF FIGURES SHOWING REDUCTION IN COUNTRY'S FINANCIAL DEFICIT

# Chancellor joins in war on nationalists

By Andrew Parker, Political Correspondent

Gordon Brown, chancellor of the exchequer, yesterday stepped up the Labour government's offensive against the Scottish Nationalist party, in advance of new figures which will boost the nationalist argument that Scotland can afford independence.

Mr Brown suggested in a speech to the Scottish Institute of Directors that the impact of Asia's financial crisis in Scotland,

as evidenced by failed inward investments, would be trifling compared with the disruption caused by independence.

"So great is the degree of integration between Scotland and England that the majority of Scotland's trade is with England and thousands of jobs in Scotland and British firms depend on this trade," Mr Brown said.

With the elections to the Scottish parliament just six months away, the government figures to be published

in two weeks will show a reduction in Scotland's financial deficit. However, Labour will say Scotland's deficit is due to worsen significantly at the millennium, strengthening the case for the country remaining part of the UK.

Yesterday, Mr Brown said: "Just about all Scotland's top 50 companies have a bigger market in England than in Scotland, and Scotland would suffer if the connection with Britain was broken." The nationalist party

campaigns for an independent Scotland in the European Union.

Next week, Tony Blair, the prime minister, will consolidate the attack on the SNP during a visit to Scotland. Recent opinion polls suggest Labour is just ahead of the SNP in the battle for control of the Scottish parliament.

Government figures show Scotland's deficit in 1995-96 was £7.4bn (£12.5bn). If North Sea oil revenues are included, the deficit was £5bn. The figures in the

1998-97 Government and Expenditure Revenue in Scotland report, due later this month, are expected to show the deficit fell to about £7bn, or £3bn if oil revenues are included.

The downward trend should continue in 1997-98, in line with the overall improvement in the UK's fiscal position and a rise in oil revenues. However, from 1998-99, Scotland's deficit is expected to increase again because of the economic downturn and a significant

fall off in oil revenues. The price of oil has plummeted, and there is a question mark about whether the SNP can continue to claim that Scotland has a right to 90 per cent of the revenues.

There has been a shift to exploration of the English rather than the Scottish continental shelf, and a wider move towards gas-fired power stations. These factors could result in an independent Scotland being able to lay claim to only 70 per cent of North Sea oil revenues.

Life insurers based outside the UK are challenging government proposals aimed at forcing them to provide greater information about UK residents' tax liabilities. They argue that the proposals, which are contained in the recent Finance Act, break European law and introduce excessive red tape.

Under the plans, life offices outside the UK would have to inform the UK Inland Revenue when UK residents and expatriates cashed in their insurance policies, to ensure any gains are taxed.

The aim is to clamp down on tax avoidance costing as much as £100m (£169m) a year. UK life offices are already obliged to notify any such gains.

The Association of International Life Offices (Ailfo) has made an application for judicial review of the proposals. It said they imposed "excessive burdens on overseas life companies seeking to do business in the UK."

It added: "In order to comply, companies will have to search through many years of records, build complex computer systems and establish a representative in the UK. These costs are so onerous that companies can help the Revenue to police UK taxpayers."

There are also concerns about breaching client confidentiality. Stuart Fairclough, chairman of Ailfo, said: "The new rules require overseas insurance companies to recreate historic data in order to supply information about the position of policyholders."

"This costly exercise makes it more expensive for overseas companies to do business here than for UK companies. This is a clear breach of EC fair competition rules. Ailfo has the opinion of an eminent QC [lawyer] that the new law will be struck out by the European court."

The earliest the new rules were due to come into force was next April - but that could be delayed by the legal process.

Ailfo says operation of the rules should be suspended until the court has decided the matter, to ensure companies do not incur costs while the issue is under review.

The Inland Revenue said: "We haven't published our draft regulations yet so this action is premature." It had been advised that its proposals did not breach European law.

Outside would be wrong to assume Mr Salisbury would not be his own man. "He is certainly not a clone of Rick," one insider says. Mr Salisbury could be the needed innovator, according to one colleague he has the ability to think "outside the M&S box". "You will see more new thinking coming out of him than might appear to be the case at the moment," says an associate.

Should Sir Richard decide to retire early as chairman once he has the new chief executive settled in - as happened when he himself took over from Lord Rayner - then age may prove the deciding factor. Mr Oates is 56. Mr Salisbury is some seven years younger.

Lord Stone, moreover, appears to have ruled himself out of the race since becoming a working Labour party peer last year.

In recent months, a third candidate has emerged to challenge Mr Oates. Quiet and reserved, Peter Salisbury is known by few in the City although he has been at M&S for 23 years.

Mr Salisbury is described by those who know him as an intensely reserved man, but direct and assured. He started at M&S in 1970 when just 21, a management trainee after graduating from the London School of Economics. In his time at M&S he has run footwear, home furnishings, women's wear, personnel and store operations.

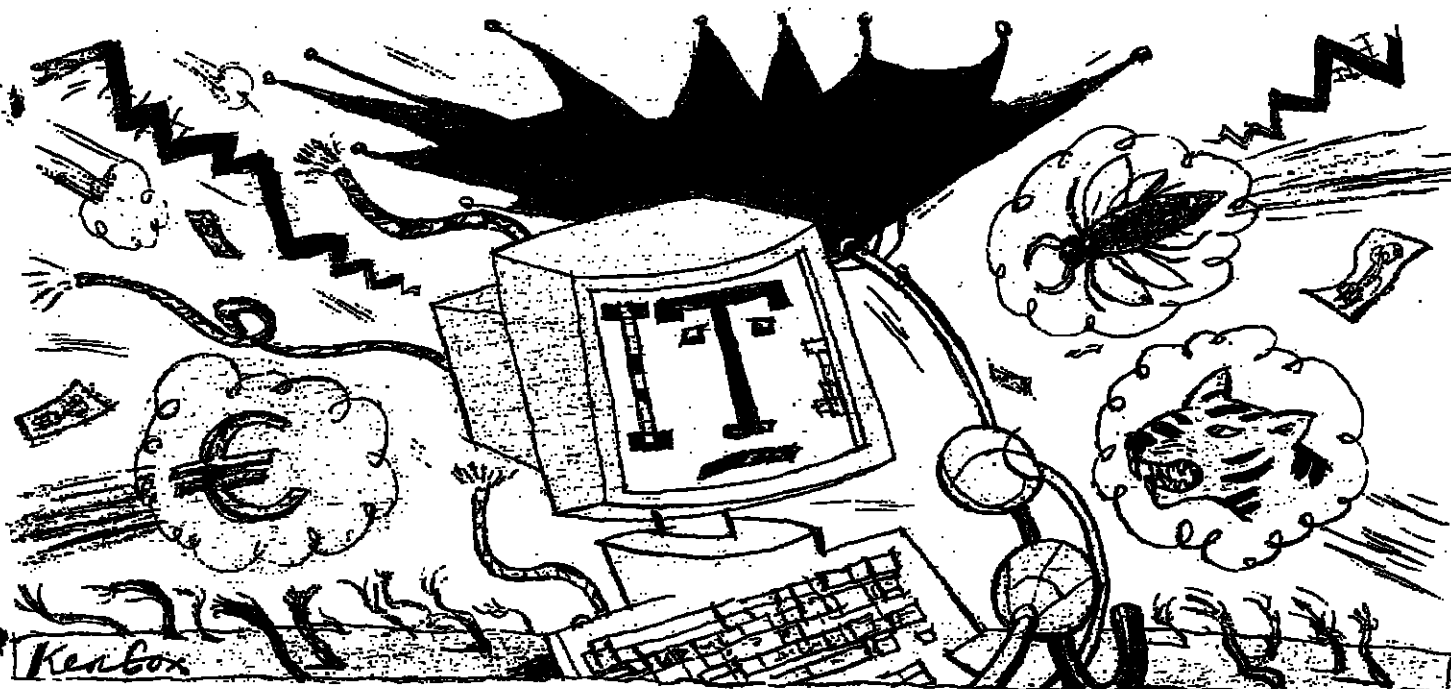
In the latest reshuffle in March, Mr Salisbury was made the joint managing director in charge of clothing, home furnishings, mail order, European retail and international franchises.

But his home-grown, and largely UK, pedigree is likely to count in his favour as far as the majority of M&S directors are concerned. Moreover, his retail expertise is often cited as an advantage over Mr Oates' financial background.

"Peter is the one with the greater understanding of the business," says a colleague of both candidates.

"Keith has the breadth of experience and the financial background to lead M&S in a more conventional chief executive way," says another colleague. But he adds: "Rick has often said that no bean-counter would ever run the business."

The big question for the company's critics will be whether a man who has grown up under the forceful



## Buoyant IT hit by global backwash

By Christopher Price in London

The chill wind blowing through the global economy has finally caught up with that most buoyant of sectors - information technology. Most IT stocks listed in London have been robbed of their gains this year.

The IT index, introduced at the start of the year, climbed 87 per cent in the first seven months, outperforming the market by 60 per cent. It then fell to below its starting value but has since staged a partial recovery although it has still underperformed the market by 20 per cent since its July peak.

Among the worst hit have been the biggest names in the sector. Microsoft, the software and services group, which this summer became the first British IT company to enter the FTSE 100, has seen its market value fall from £4.1bn to £2.5bn (\$7bn to \$4bn) in the past five months.

This week, Microfocus sent a fresh shudder through the sector. It warned that US

demand for work preparing computers for the 2000 date change has already peaked, and that European demand would start to dry up within nine months.

There are several reasons for the general downgrading. First, the crisis in the southeast Asian markets has hit many IT companies hard, given the region's position as a large manufacturer and a consumer of advanced technology products.

Second, concerns over the impact of the difficulties in the global banking market have had a severe effect. The financial services sector is a leading consumer of technology products and services.

Fears of cuts in this area are not confined to the UK. The share price of SAP, the German software group, has fallen by 40 per cent in the past three months while Baan, its Dutch competitor, last week issued a profits warning.

Finally, worries over a global meltdown have exacted a toll. While much company and public IT spending has become essen-

tial, some is still considered discretionary. The fear is that a recession would hit a large chunk of IT outlay.

Yet these factors only partly explain the correction to prices. For many analysts, the scale of the retreat reflects the fact that it had become overheated. "This

'This is not the end of growth in the market... but simply a slowing down in the rate'

was a correction waiting to happen," says Patrick Yau at stockbroker Nomura.

Enthusiasm for IT stocks reached its peak in July when price/earnings ratios above 40 were not uncommon among software and services companies. Such keen interest in IT was hardly surprising. In the

past two to three years, it moved from the fringes of corporate life into the business mainstream. Moreover, there has been the far-reaching impact of two issues in particular: the millennium "bomb" (the predicted problems of date change) and the single European currency.

Each requires huge commitment to new IT systems by government and industry.

Interest was stoked further by the introduction of the IT Index. Microfocus apart, most companies have done well enough. The UK market in particular has been buoyant: growth rates of more than 40 per cent have been common. Cap Gemini, the French-owned IT services group, recently reported a 55 per cent rise in annual revenues from its British operations.

These positive factors still apply but are tempered by general economic conditions. "This is not the end of growth in the IT market," says Richard Holway, an independent IT analyst, "but simply a slowing down in

the rate." He forecasts a decline in that growth rate from the 20 per cent plus experienced in the past two years to about 8 per cent in 2000 and beyond.

However, he points out that this is still well ahead of the average growth forecast for the UK economy as a whole.

Other analysts also expect slower growth early in the next millennium as spending on the "bomb" problem ends while that associated with the euro is spread over several years.

Where, then, does this leave the recent share-price correction? With forward price ratios still in the early 30s for many stocks - more than twice the stock market average - some analysts are pessimistic. Ross Jobber, at Deutsche Morgan Grenfell, predicts further weakness as the UK economy falters.

But not all observers are so cautious. Peter Wyatt, at Credit Lyonnais, says: "The reason I would want to be in this sector is that it is going to be a bigger part of the economy in five years."

## N Ireland calls for role in Brussels

John Murray Brown in Dublin

The Northern Ireland assembly should have a permanent representative office in Brussels, according to David Trimble, the region's first minister.

Mr Trimble's comments were made during a visit this week for talks with senior European Union officials. A Northern Ireland minister for European affairs is also under consideration.

The Northern Ireland peace agreement calls for "effective co-ordination and input to national policy-making including EU

issues." Mr Trimble is pressing the UK government to allow ministers from the Northern Ireland administration to join the UK delegation at meetings of the EU Council of Ministers. A precedent for this exists in regional parliaments in Germany, and in Austria.

Commission officials doubt the UK government is ready to follow suit. Ministers argue the government has to negotiate with a single voice.

But Mr Trimble is more optimistic. He predicted the assembly would have a "better view of what is achievable" after European leaders

met at the Vienna summit next month.

Members of the Northern Ireland assembly were welcomed this week by Jacques Santer, Commission president, and four senior commissioners. One Commission official said he could not remember a regional delegation receiving such red carpet treatment.

The region has secured heavy economic aid from the EU in the past. But as income levels rise, Northern Ireland will not qualify for regional aid under the next round of structural funds, worth

about £200m (£338m) a year.

Mr Santer told the delegation of 80 assembly members: "As you seek a new dawn - and how we welcome it - I hope you will be asking yourselves not just 'what can you get from Brussels', but also 'what can you do for the European Union'."

Aware that the battle for EU spending will be a major issue for the assembly, Mr Santer warned: "The European Union is not a rubber-stamping cheque book. In the future funds will continue, quite rightly, to be focused on those areas most in need. It is an illusion to

think our budget will increase in real terms. And there will be more mouths at the table with new countries to support."

Bertie Ahern, prime minister of the Republic of Ireland, said during a visit to Northern Ireland yesterday that he was working "flat out" to resolve the continuing deadlock about "decommissioning" weapons held by paramilitary groups. "The difficulties have to be surmounted and they have to be surmounted quickly," Mr Ahern said. "There is an enormous amount of logistical work to get through."

## Innovator needed at the Marks and Spencer counter

Evidence of retailer's growing pains has focused extra attention on likely candidates for chief executive, **Peggy Hollinger** reports

When Lord Rayner took over from Marcus Sieff as head of the Marks and Spencer retail chain in 1983, the story goes that he pulled a crumpled piece of paper from his pocket. On it, he had outlined his plans to modernise Britain's most trusted clothing and grocery chain.

"That piece of paper had been in his pocket for five years," says one who knows the story well.

News that Sir Richard Greenbury, Lord Rayner's successor, is likely in May to split his roles of chairman and chief executive is leading many to hope that somewhere in the company's London headquarters there is another crumpled piece of paper.

The question which has preoccupied analysts, investors and media in recent weeks, is in whose pocket it might be. The company has just reported its first drop in profits in seven years and is feeling the growing pains of a business trying to go global.

When Lord Rayner took over, insiders say M&S was in desperate need of an innovator.

"It had come to be a bit of a stodgy performer," says one onlooker. So the diversification into financial services and expansion outside the UK - although criticised at the time - was just what M&S needed.

In 1988, Sir Richard was the right man to pick up the baton. "Lord Rayner chose Rick because he would consolidate what had been done

until then," says an insider. "Now you need an innovator again."

In the past, it was thought the succession centred on two of the group's four joint managing directors: Keith Oates, deputy chairman and long-time favourite as heir apparent, and Andrew (now Lord) Stone, who is in charge of the food business.

Mr Oates, a former finance director, has worked for Rolls-Royce and IBM and is a director of Diageo and British Telecommunications. His supporters argue that if innovation is what is needed, then Mr Oates - the first outsider to have been appointed to the M&S board - is better equipped than most to think beyond the constraints of the company's strong internal culture.

Mr Stone, moreover, appears to have ruled himself out of the race since becoming a working Labour party peer last year.

In recent months, a third candidate has emerged to challenge Mr Oates. Quiet and reserved, Peter Salisbury is known by few in the City although he has been at M&S for 23 years.

Mr Salisbury is described by those who know him as an intensely reserved man, but direct and assured. He started at M&S in 1970 when just 21, a management trainee after graduating from the London School of Economics. In his time at M&S he has run footwear, home furnishings, women's wear, personnel and store operations.

In the latest reshuffle in March, Mr Salisbury was made the joint managing director in charge of clothing, home furnishings, mail order, European retail and international franchises.

But his home-grown, and largely UK, pedigree is likely to count in his favour as far as the majority of M&S directors are concerned. Moreover, his retail expertise is often cited as an advantage over Mr Oates' financial background.

"Peter is the one with the greater understanding of the business," says a colleague of both candidates.

"Keith has the breadth of experience and the financial background to lead M&S in a more conventional chief executive way," says another colleague. But he adds: "Rick has often said that no bean-counter would ever run the business."

The big question for the company's critics will be whether a man who has grown up under the forceful

tail off in oil revenues. The price of oil has plummeted, and there is a question mark about whether the SNP can continue to claim that Scotland has a right to 90 per cent of the revenues.

There has been a shift to exploration of the English rather than the Scottish continental shelf, and a wider move towards gas-fired power stations. These factors could result in an independent Scotland being able to lay claim to only 70 per cent of North Sea oil revenues.

Life insurers based outside the UK are challenging government proposals aimed at forcing them to provide greater information about UK residents' tax liabilities. They argue that the proposals, which are contained in the recent Finance Act, break European law and introduce excessive red tape.

Under the plans, life offices outside the UK would have to inform the UK Inland Revenue when UK residents and expatriates cashed in their insurance policies, to ensure any gains are taxed.

The aim is to clamp down on tax avoidance costing as much as £100m (£169m) a year. UK life offices are already obliged to notify any such gains.

The Association of International Life Offices (Ailfo) has made an application for judicial review of the proposals. It said they imposed "excessive burdens on overseas life companies seeking to do business in the UK."

It added: "In order to comply, companies will have to search through many years of records, build complex computer systems and establish a representative in the UK. These costs are so onerous that companies can help the Revenue to police UK taxpayers."

## Insurers challenge coercion plan for tax probe

By Christopher Brown-Humes in London

Life insurers based outside the UK are challenging government proposals aimed at forcing them to provide greater information about UK residents' tax liabilities. They argue that the proposals, which are contained in the recent Finance Act, break European law and introduce excessive red tape.

Under the plans, life offices outside the UK would have to inform the UK Inland Revenue when UK residents and expatriates cashed in their insurance policies, to ensure any gains are taxed.

The aim is to clamp down on tax avoidance costing as much as £100m (£169m) a year. UK life offices are already obliged to notify any such gains.

The Association of International Life Offices (Ailfo) has made an application for judicial review of the proposals. It said they imposed "excessive burdens on overseas life companies seeking to do business in the UK."

It added: "In order to comply, companies will have to search through many years of records, build complex computer systems and establish a representative in the UK. These costs are so onerous that companies can help the Revenue to police UK taxpayers."

There are also concerns about breaching client confidentiality. Stuart Fairclough, chairman of Ailfo, said: "The new rules require overseas insurance companies to recreate historic data in order to supply information about the position of policyholders."

"This costly exercise makes it more expensive for overseas companies to do business here than for UK companies. This is a clear breach of EC fair competition rules. Ailfo has the opinion of an eminent QC [lawyer] that the new law will be struck out by the European court."

The earliest the new rules were due to come into force was next April - but that could be delayed by the legal process.

Ailfo says operation of the rules should be suspended until the court has decided the matter, to ensure companies do not incur costs while the issue is under review.

The Inland Revenue said: "We haven't published our draft regulations yet so this action is premature." It had been advised that its proposals did not breach European law.

Outside would be wrong to assume Mr Salisbury would not be his own man. "He is certainly not a clone of Rick," one insider says. Mr Salisbury could be the needed innovator, according to one colleague he has the ability to think "outside the M&S box". "You will see more new thinking coming out of him than might appear to be the case at the moment," says an associate.

Should Sir Richard decide to retire early as chairman once he has the new chief executive settled in - as happened when he himself took over from Lord Rayner - then age may prove the deciding factor. Mr Oates is 56. Mr Salisbury is some seven years younger.

Lord Stone, moreover, appears to have ruled himself out of the race since becoming a working Labour party peer last year.

In recent months, a third candidate has emerged to challenge Mr Oates. Quiet and reserved, Peter Salisbury is known by few in the City although he has been at M&S for 23 years.

Mr Salisbury is described by those who know him as an intensely reserved man, but direct and assured. He started at M&S in 1970 when just 21, a management trainee after graduating from the London School of Economics. In his time at M&S he has run footwear, home furnishings, women's wear, personnel and store operations.

In the latest reshuffle in March, Mr Salisbury was made the joint managing director in charge of clothing, home furnishings, mail order, European retail and international franchises.

But his home-grown, and largely UK, pedigree is likely to count in his favour as far as the majority of M&S directors are concerned. Moreover, his retail expertise is often cited as an advantage over Mr Oates' financial background.

"Peter is the one with the greater understanding of the business," says a colleague of both candidates.

"Keith has the breadth of experience and the financial background to lead M&S in a more conventional chief executive way," says another colleague. But he adds: "Rick has often said that no bean-counter would ever run the business."

The big question for the company's critics will be whether a man who has grown up under the forceful

## NEWS DIGEST

### CAR INDUSTRY

#### BMW rejects trade union leader's job cuts claim

Top-selling UK cars October 1998

Vauxhall	Vectra
Vauxhall	Astra
Ford	Saatchi
Ford	Fluor
Ford	Mondeo
Vauxhall	Corse
Renault	Renegade
Renault	Clio
Vauxhall	Golf
Renault	206

Source: SMMT

A trade union leader has claimed that senior figures at BMW want to shed up to 5,000 jobs at Rover car factories in the UK - twice as many as previously feared.

BMW yesterday denied there were any specific job cut targets for Rover, and the number of redundancies required would depend on union attitudes to Rover's calls for more flexible working practices. The warning was sounded by Tony Woodley, Transport and General Workers' Union national secretary for the motor industry. BMW was

working on figures of saving £30m (\$50.7m) by axing 1,000 jobs, said Mr Woodley. On those figures "hikes" on the board wanted to save £150m through 5,000 job cuts, he said. BMW's share price, which has slipped 50 per cent over 12 months, also jeopardised the chances of the £3bn investment required at the outdated Longbridge plant in the English Midlands, said Mr Woodley. Last week it emerged that BMW planned further job cuts - estimated at about 2,400 - on top of 1,500 temporary posts axed since July. Juliette Jowitt, Birmingham

● Rover saw a sharp reduction in its share of the UK car market last month. The Society of Motor Manufacturers and Traders said the company's share of new car registrations in October slipped to 6.56 per cent, from 9.81 per cent in the equivalent month last year. The only Rover car in the nation's top 10 sellers in October was the 200 model in 10th position. Peter Marsh, London

### CINEMA INDUSTRY

#### Tax break plan for US films

The government is considering offering tax breaks to blockbuster films in an attempt to persuade more Hollywood producers to shoot big-budget movies in the UK.

The six costliest films shot in the UK last year provided 50 per cent of the total £484m (\$785m) invested in production, according to the British Film Commission. The films were all US-financed. It has since become increasingly difficult for UK production studios to attract Hollywood blockbusters.

The pound's strength against the US dollar is one factor; another is that other countries have stepped up their efforts to woo costly US productions. Earlier this week, George Lucas announced he would film the next two Star Wars prequels in Australia, rather than the UK, where the earlier series of films were shot. Alice Rawsthorn, London

### AGRICULTURE

#### Organic food demand leaps

Organic food, helped by persistent consumer concerns about pesticide residue and BSE, is one sector of the agriculture industry having a bumper year. Demand is expected to grow from £280m (\$440m) in 1997 to more than £350m this year. This increase comes after a 40 per cent surge in organic food sales in 1996.

Despite the recent growth of the organic food industry, the UK lags well behind the European Union in production of organic foods. Only 0.5 per cent of total farmland in the country is organically managed against the EU average of 1.33 per cent. Rahul Jacob, London

### PRIVATE FINANCE LANDMARK

#### Flagship school to be rebuilt

Westminster City Council is to press ahead with controversial plans for a £32m (\$54m) private finance project to rebuild Pimlico School, a flagship comprehensive school in the heart of London and a favourite academy for the children of Labour ministers and actors and musicians.

The decision by Westminster - a council run by the opposition Conservative party - to be announced next week, could trigger a spate of deals under the "private finance initiative" and rekindle government proposals for reviving the under-resourced state school system with private sector funds. The PFI scheme, which dwarfs the only other single-school deal, has been put together by the St George's Square Partnership, a consortium comprising Costain Engineering and Construction, Kier, Tilbury Douglas and Berkeley Homes. Simon Targett, London

### DEFENCE CONTRACT

#### US companies in joint study

Logica, the computer consultancy and software group, is to carry out a feasibility study on unmanned aerial vehicles (UAVs) for the Royal Air Force under a contract awarded by the Ministry of Defence.

The study is one of a number under way in the Future Offensive Air System project to replace the RAF's long-range strike capability when the Tornado GR4 reaches the end of its life in about 20 years. The MoD is considering a mix of manned aircraft, UAVs and missiles. Logica's study will be undertaken with Teledyne and Raytheon of the US. Alexander Nicoll, London

### THE ALL ENGLAND LAWN TENNIS

#### GROUND plc ("Company")

£2,000 nominal debentures 1996/2000 Series ("Centre Court Debentures")

Set out below are the prices and dates of the three most recent transactions in the Centre Court Debentures, as notified to the Company.

The amount of £19,625 has been paid up on the Centre Court Debentures.

£18,000 (20/09/98); £18,000 (16/10/98); £16,125 (06/10/98)

#### £500 nominal debentures 1997/2001 Series ("No.1 Court Debentures")

Set out below are the prices and dates of the three most recent transactions in the No.1 Court Debentures, as notified to the Company.

The amount of £9,900 has been paid up on the No.1 Court Debentures.

£5,850 (13/10/98); £5,850 (1



## COMMENT &amp; ANALYSIS

## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: +44 171-973 3000 Telex: 922185 Fax: +44 171-407 5700

Saturday November 7 1998

## All pulling together

From global financial meltdown to mere economic slowdown in the space of a month – the stellar pace of adjustment in stock market expectations is astonishing. So much for the Russian default, the trials of Brazil and the tribulations of Long-Term Capital Management, the unlamented hedge fund. Global recession, it seems, is yesterday's worry. The postscript to this dramatic about-turn is that the Dow Jones Industrial Average is less than five per cent off the all-time high it reached on August 17.

In any other sphere of human activity such a mood swing would be regarded as feeble. Yet the markets, if they were capable of offering an apology, would be entitled to fall back on Keynes's celebrated excuse. "When the facts change," the great man is alleged to have said, "I change my opinion. What do you do, sir?" And, of course, the circumstances today have changed a great deal.

If markets were previously rattled, it was because the world economy seemed in no state to cope with a serious financial shock. This was the natural consequence of a cycle marked by global over-investment and excess supply, which left the world economy vulnerable to deflation for the first time since the 1930s. To preempt an economic disaster, a decisive easing of policy was urgently needed. Until very recently that was something the world's policy establishment appeared ill-equipped to deliver. After the Russian debacle the credibility of the US Treasury and the International Monetary Fund was at a low ebb. President Clinton appeared a lame-duck leader as the Lewinsky affair dragged on. Europe was preoccupied with the monetary experiment in its own backyard, while Japanese politicians were caught in a state of argumentative paralysis.

## Political inertia

Now the worry about political inertia has been substantially dispelled. In response to financial distress and signs of a credit contraction, the US Federal Reserve took early action to reduce interest rates. For its part, the US Congress proved more expeditious than expected in paving the way for the recapitalisation of the IMF, raising hopes that a credible rescue package for Brazil might now be possible.

Then came new proposals from the Group of Seven industrialised countries to support developing countries confronting financial trouble. These have been followed by interest rate cuts in

Europe amounting, in Britain's case on Thursday, to half a percentage point. Just to round off the picture, a happy mid-term election result for the Democrats breathed new life into the Clinton presidency. Cue markets, for a heady November bounce.

It is possible to argue with the absolute level of equity markets in the US and Europe, but to agree with the more optimistic direction. The flexibility shown by the central bankers in monetary policy provides precisely the right conditions to address the continuing problems of Asia. For by helping to attenuate the economic cycle, it will make it easier for the more troubled Asian economies to trade their way out of their difficulties.

## Business confidence

In some ways this is reminiscent of the aftermath of the 1987 stock market crash, which elicited a similar expansionary response from policymakers. Yet there are important differences, notably in the more deflationary environment that now prevails. It is striking that business confidence in the developed world is eroding very rapidly and that the cold wind now extends beyond those companies directly exposed to Asia to the likes, even, of retailers Marks and Spencer.

A more fundamental point is that Japan, the world's second largest economy, has scarcely begun to address its problems. A measure of its difficulties could be seen in financial markets this week, when big US and European banks started to impose negative rates of interest on yen deposits. The message was that deposit-takers were worried about Japanese counter-parties, while the depositors were willing to incur a penalty simply to place their money outside the troubled Japanese banking system.

At the same time Europe is embarking on its experiment in economic and monetary union with new left-of-centre governments that have little time for the Maastricht Treaty provisions that call for fiscal orthodoxy. The scope for political friction and economic trouble is evident.

In the absence of much inflationary pressure around the world, there is no need for a global recession. If the politicians and central bankers play their cards well, it need not happen anyway. The heartening feature of the past month is that they have shown that intelligent co-operative action is possible. But they will have to be ready to sustain such action if the current expectation of lower growth is not to turn into no growth.

British business was cock-a-hoop this week, as the Bank of England granted its wish for an aggressive cut in interest rates. The Bank's monetary policy committee lowered rates half a point to 6.75 per cent, the largest single reduction since the months after sterling's ignominious departure from the European exchange rate mechanism in September 1992.

"We believe it is the correct action: half a point is just the right amount," enthused Adair Turner, head of the Confederation of British Industry. But a cut in rates of this magnitude could be interpreted in one of two ways. Perhaps, as the cheerier industrialists hope, it demonstrates that the Bank has abandoned its habitual caution and is taking decisive and timely action to smooth the ups and downs of the business cycle. Alternatively, as the more pessimistic observers fear, it may be a sign of panic that highlights the deep stress in which the British economy now finds itself.

Gordon Brown, the chancellor, understandably inclines to the former view. His pre-Budget report on Tuesday outlined an unthreatening prognosis for the British economy, in which a downturn very modest by the standards of recent cycles is followed swiftly by a period of above-trend growth as the economy makes up lost ground.

For the fact that Britain faces an economic downturn at all, Mr Brown accepts no responsibility. He blames Kenneth Clarke, his Conservative predecessor, and unfavourable developments in the world economy.

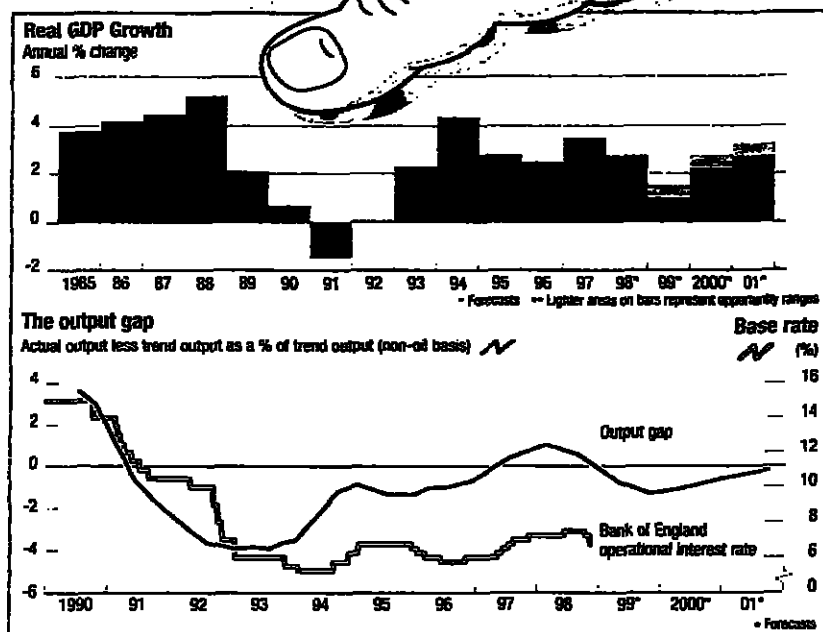
Mr Clarke bequeathed his successor an economy with little spare capacity and growing at twice the 2.25 per cent a year rate it could probably sustain over the long-term without pushing up inflation.

With his jawline set as firmly as that of an Easter Island statue, Mr Brown acted decisively on taking office: he handed control of interest rates to an independent Bank of England and tightened fiscal policy in his first Budget.

Growth was finally brought below its long-run trend rate at the beginning of this year, by which point economic activity was 1 per cent above the level consistent with stable inflation. According to the Treasury, most of this positive "output gap" has since been eroded, although the pre-Budget report says the UK still needs "a slowing of activity to maintain low inflation and put the economy back on track for sustainable growth".

Mr Brown forecasts growth of 1.5 per cent for next year, which will take economic activity more than 1 per cent below full capacity late next year. This should bring domestic inflationary pressure in line with the government's 2.5 per cent target before the economy returns to its long-run trend path. For now, relatively high domestic inflation is

From Eddie with love



being masked by the 12 per cent fall in import prices since sterling began to climb in 1998. Although the economy was already slowing under policies put in place last year, the process risked going too far because of the slowdown in the world economy brought about by the financial crises in Asia and other emerging markets. Since the autumn the Treasury has been hinting with ever less subtlety that weaker world trade growth justified lower domestic interest rates. Fortunately for Mr Brown, the monetary policy committee agreed.

This is a nice story. But the aggressiveness with which the Bank has now started cutting rates – three-quarters of a point since October – suggests the MPC may not be as confident as the Treasury of a happy ending. We will have a clearer idea on Wednesday from the Bank's latest quarterly inflation report.

The Treasury's account raises questions both about its understanding of history and its predictions for the future. Has it been correct in its assessment of recent movements in the output gap? And is it realistic in assuming there is only a modest slowdown already in the pipeline?

Assessing the output gap is no easy task. It involves comparing an imperfect measure of current activity with an unobservable estimate of productive potential. Output gap calculations are particularly uncertain at present because of far-reaching revisions to the national accounts introduced in September. These raised cash estimates of national output last year by more than £150 or a little under 2 per cent. With both methodological changes and

Treasury's claim that the output gap has narrowed since the first quarter of this year. He points out that growth has been in line with trend and that unemployment has continued to fall – a sign that output is growing more quickly than productivity. The Treasury counters that movements in unemployment lag movements in output and that its preferred measure of economic activity – gross value added at market prices (excluding North Sea oil) – has grown less quickly than headline output measures.

This may sound frightfully arcane, but if economic activity is running further above its sustainable level than the Treasury thinks, then the downturn will have to be correspondingly deeper to squeeze inflationary pressure out of the system.

The second question posed by the Treasury's pre-Budget report is whether its growth forecast for next year implies it is underestimating the slowdown already in the pipeline. Some economists argue that the Treasury may have factored in the aggressive interest cuts that the Bank is now implementing. But the long lag with which monetary policy operates means that rate cuts today will probably do more to boost the calendar year growth rate in 2000 rather than 1999.

The Bank's explanation for this week's rate cut was bland in the extreme, pointing out it had lowered its growth and inflation forecasts in the face of a deteriorating domestic and international environment. Behind the scenes, the Bank may have decided to place more weight on gloomy business and consumer surveys, especially as the average earnings data that it used to justify the last rate increase in June have since been discredited.

But like the official data on economic activity, the surveys are open to different interpretations. Take the CBI's authoritative industrial trends survey, which recently showed confidence among manufacturers at an 18-year low. In the past a reading this gloomy has reliably been associated with falls in national output of 4 per cent a year.

Partly because of its trade exposure, manufacturing has in the past accounted for much of the variation in economic growth, even though it accounts for only about 20 per cent of national output. But Adam Cole and colleagues at HSBC Group argue that the gap between the weak manufacturing sector and the strong service sector has been so wide in recent months that the survey can no longer be relied upon for an accurate picture of the economy as a whole.

Consumer surveys may also provide a misleading predictor of spending in the shops. Mori's monthly survey shows people's confidence in the outlook for the economy at its lowest level since sterling's devaluation in 1992, but a GFK survey for the European Commission shows that people's confidence in their personal finances is much more robust. All the more so, potentially, in the wake of big mortgage rate cuts timed conveniently before the Christmas trading season.

One of the biggest uncertainties about Britain's growth performance next year merits only a brief mention in the pre-Budget report. During the course of this year inventories have increased sharply, presumably because orders have fallen short of expectations and production has piled up on store-room shelves. Inventory-to-output ratios are well above trend and at some point producers will slow output significantly to clear their shelves. Stockpiling had added half a point to economic growth this year and the Treasury expects it to remove half a point next year. But the timing and the magnitude of the inventory cycle are both highly uncertain.

Businesses and mortgage-holders have greeted this week's rate cut as an early Christmas present, but it remains to be seen if they are still as entranced when the wrapping comes off. History tells us that economists usually underestimate the ups and downs of the cycle. But Mr Brown assures us, public and private sector balance sheets are in good condition and policymakers are reacting with unaccustomed foresightfulness. This time, he says, it will all be different.

## LETTERS TO THE EDITOR

## A sounder theory on climate change

From Mr Fredric M. Steinberg.

Sir, The article "Hot and bothered over climate change" (October 31-November 1) illustrated everything that is wrong with the global warming monologue. While describing a handful of the manifold objections many scientists have lodged against the theory of global warming (the Petition Project in the US has more than 15,000 scientist signatories), Vanessa Houlder omitted several more important arguments.

She describes centuries of climate variability, but neglects variability in the preceding aeons: a much more sound theory suggested that the dinosaurs thrived under an unduly warm climate, brought about with nary

the aid of a single fossil-fuel burning smokestack.

Nor are we given a clear delineation of the possible beneficial aspects of increased mobile carbon compound in a warmer environment, with some studies showing a vast increase in plant growth, possibly spawning an encore to this century's green revolution.

Finally, we are presented with the hackneyed, nanny-nanny argument, "better safe than sorry" unless "action" is taken. Unfortunately Ms Houlder fails to summarise what would happen if indeed anti-global warming action is taken.

As human living standards are

directly related to access to cheap, reliable energy sources, the mass of humanity stands to lose. If the measures of the Buenos Aires protocols are adopted, for which Ms Houlder pleads, those sources will be choked off in such wise that we will return to the days when human bodies provided the grist of the mills to the greater glory of the Caesars, satraps, and sundry contemporary tyrants of the green sash.

Fredric M. Steinberg, member, board of directors, American Council on Science and Health, 1995 Broadway, New York NY 10023-5860, US

## Hedging a smaller bet

From Mr Fletcher Robinson.

Sir, The piece by Peter Martin "Hedge of the abyss" (November 3) is a classic example of journalistic disinformation about hedge funds. For example, he describes the Tiger Funds (for which I hold no brief whatever) as taking "deliberately risky" bets when the publicly stated rationale of the fund manager over some 20 years of outstandingly successful investing has been to target returns taking the least amount of risk consistent with producing those returns.

He talks of \$50n of losses in two months, without saying what that translates into in terms of performance. In fact, the Jaguar fund is about 10 per cent down this year to date. If there is a loss for the full year, that would be, I believe, Tiger's first annual loss over.

More insidiously, he uses the phrase "deliberately risky" again later when he talks of investors being "forced ever further into the unknown, discounting earnings that are no more than hypothetical, relying on the infinite projection of hiccup-free growth and so on". The implication is that funds such as Tiger manage money in that way, which is laughable.

The main point he misses is that many investors go into hedge funds precisely because they want their money managed in a less risky way than traditional "long-only" funds can offer.

Fletcher Robinson, 66 Cadogan Square, London SW1X 0EA

## Diplomatic status must be respected

From Mr David Read.

Sir, Whatever we may think of the behaviour of Chile's General Augusto Pinochet, he is travelling on a diplomatic passport that has been granted by the democratically elected government of his country and we must respect this.

Once the validity of such passports becomes a matter of discretion, then so too will become the sovereignty of embassies and the safety of all those who work in them.

David Read, 8 chemin du Piquier, CH-1231 Conches, Switzerland

## Logic in a class of its own

From Mr Mark Bates.

Sir, To describe the past and present structure of English society solely in terms of class division, or of class struggle, is, as David Cannadine rightly argues (Weekend FT: "Stop being a nation of class warriors", October 31-November 1), to oversimplify a "complex reality". But to conclude that the "best way" to make England a classless society is to refrain from trying to do anything about social inequality, and to stop talking about class at all? I confess to being at a loss to follow Mr Cannadine's logic.

Just because those conceptions of the English class system offered by the likes of Marx and Orwell are overly reductive does not prove that, in "reality", such a system never in fact existed; or that it does not exist today. When

it comes to over-simplification, I'd say that was a case of the kettle calling the pot black.

Of course, I recognise that from where Mr Cannadine is standing, the notion of England being a nation of opposed classes might appear to have little or no basis in lived experience. But for those of his fellow countrymen who live in the inner cities of England's principal towns and cities – whose life chances, if not as drastically as their forebears, are to a fairly significant degree constrained by social forces outside their control – I suspect it denotes a "reality" with which they are all too familiar.

Mark Bates, 36 Indian Pond Rd., Westborough, MA 01581, US

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers worldwide. Letters may be faxed to +44 171-973 5938 (not fax to "fax"), e-mail: letters.editor@ft.com. Published letters are also available on the FT web site: <http://www.ft.com>. Translation may be available for letters written in the main international languages. Fax: +44 171-973 5938. Letters should be typed and not hand written.

150 من الاصل



MEN IN THE NEWS AL GORE AND GEORGE W. BUSH

Blue-blooded rivals

Mark Suzman assesses two US presidential hopefuls who are more alike than they would care to admit

For two political enemies, Al Gore and George W. Bush have a great deal in common. They both hail from Washington political dynasties; they both have Ivy League educations; and they both have a strong personal attachment to the American South. Even their political philosophies initially look similar, combining fiscal conservatism with carefully targeted government programmes, especially for ethnic minorities. Nevertheless, Mr Gore, US vice-president, and Mr Bush, the Texas governor, seem destined to be rivals. President Bill Clinton aside, Mr Gore and Mr Bush were arguably the two biggest beneficiaries of this week's US mid-term elections. They are now strongly favoured by political pundits and bookmakers to win, respectively, the Democratic and Republican nominations for the presidential race in 2000.

It is an intriguing face-off between the man who wants to carry on President Clinton's legacy and the son of the president Mr Clinton defeated. At the time few could have foreseen such a contest six years on. While Mr Gore has been a prospective Democratic president for more than a decade, Mr Bush is a relative neophyte who only came of political age in this week's poll. In exit polls, 64 per cent of

Democrats said Mr Gore would be their first choice as presidential candidate with Richard Gephardt, the House minority leader, trailing at 19 per cent. Among Republicans Mr Bush was favoured by 59 per cent, followed by Dan Quayle, his father's vice-president, with nine per cent.

Despite their common status as part of the nation's political elite, Mr Bush remains more of an outsider. "George W. Bush is a real Texan while Al Gore is a product of the Washington establishment," says Stephen Hess, a political analyst who has written a book on US political dynasties.

Mr Bush had been treated with suspicion by the party's powerbrokers in Washington. At best, he was regarded as untested on a national stage; at worst he was seen as just a famous name. But even critics have been forced to admit that Mr Bush's re-election was impressive. He garnered an astonishing 69 per cent of the total vote, including 27 per cent of blacks, 49 per

cent of Hispanics and 65 per cent of women - a virtually unprecedented for a Republican anywhere, let alone in a state with a strong Democratic tradition.

More important, in contrast with the Republicans' lacklustre national showing, Mr Bush's victory along with that of his brother Jeb in Florida, was the most positive news of the week for a party that saw its hopes of consolidating power in Congress dashed.

Mr Bush's victory elevated him from the pack of Congressmen hoping for a run at the presidency. It also enabled him to focus national attention on his philosophy of "compassionate conservatism" - a softer version than that promoted by the rightwing Republican leadership in Washington.

It is all quite a turnaround for a man who has laboured under the reputation of a drifter forever in the shadow of a famous father.

Mr Bush's childhood was spent in Texas, though he went to university at Yale. He admits to "youthful

indiscretions" involving alcohol and women before marrying and settling down to a succession of business jobs in his home state. His most significant political experience before contesting the governorship in 1994 was as an informal adviser to his father.

In contrast, Mr Gore has been contesting elections for much of his career. The son of a famous Tennessee senator, Mr Gore virtually grew up campaigning.

He spent most of his childhood mingling with political types inside political Washington before going off to Harvard and then serving in Vietnam. After a spell as a journalist, Mr Gore joined the House of Representatives in 1976 and later moved up to the Senate before accepting Mr Clinton's offer to run on a joint ticket in the 1992 presidential election.

It is unsurprising that Mr Gore's clean-cut looks, personal charm and intelligence have prompted many to speak of him as a future president. The consensus is that although he was not

contesting a seat last week, Mr Gore had a stunningly successful election that leaves him better positioned than ever for the top job.

The vice-president picked up the slack caused by Mr Clinton's limited campaigning because of the Monica Lewinsky scandal. Mr Gore criss-crossed the country on behalf of nearly 250 Democratic candidates. Now he stands to reap two benefits.

First, a resurgent Mr Clinton is certain to promote Mr Gore's candidacy for the Democratic nomination in the 2000 presidential race, both to secure his own legacy and to thank the vice-president for his loyalty. Second, many of the candidates Mr Gore backed won victories against expectations and are likely to show their gratitude when the next campaign begins in earnest.

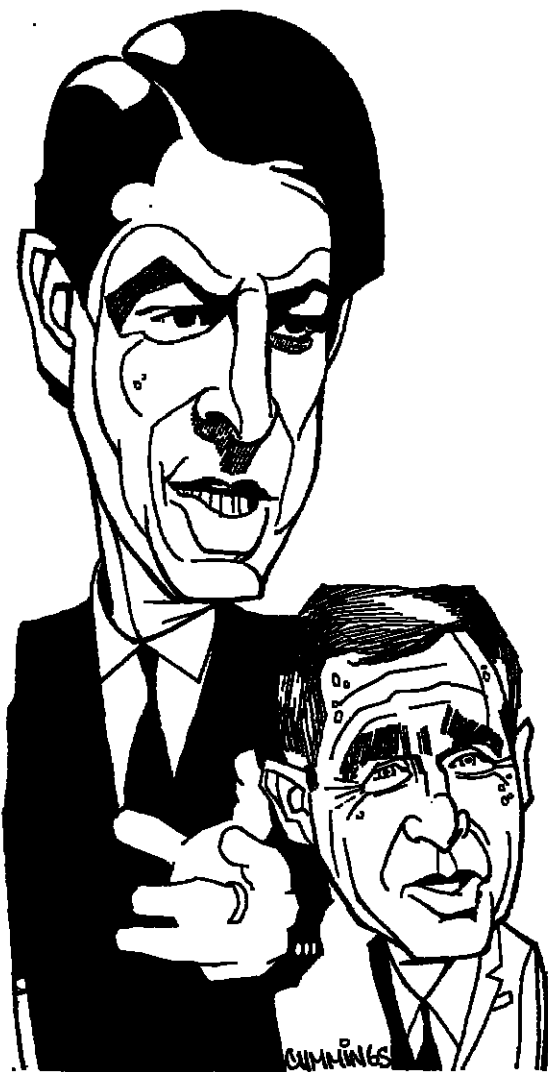
Should Mr Bush and Mr Gore face off directly, key differences in style and substance would soon become apparent. In contrast to his more formal father, Mr Bush favours open-necked shirts

and cowboy boots, relishes pressing the flesh, and is easily bored by details. Mr Gore is rarely out of his suit and tie, has a tendency to talk in great detail about dull, technical subjects and still makes self-deprecating jokes about his relatively wooden speaking style. Mr Bush once joked that Mr Gore was the son that his parents really wanted to have.

Ideologically, Mr Bush opposes abortion, favours the death penalty and promotes school prayer. Mr Gore remains open to caricature for his vigorous embrace of technological and environmental causes. Although both favour limited government, Mr Bush remains true to his party's tax-cutting creed while Mr Gore prefers to focus on the Clinton agenda topics such as social security reform.

There are still obstacles to overcome if the two are to end up opposing each other in 2000. Mr Gore remains under threat of an investigation for alleged campaign fund abuses in 1996 while Mr Bush must wait to see if his political style resonates outside of Texas.

But by historical standards their candidacies are unusually well advanced. If they choose to capitalise on this week's success with a run at the big prize, one thing is certain: somebody will end up a loser next time round.



After the storm

James Wilson on how Hurricane Mitch wiped out a region's tentative recovery

In the space of a week, Hurricane Mitch has set back Central America's painful deliverance from poverty and civil war by more than 20 years. While Central Americans count their dead - in Honduras, 7,000 people are estimated to have died, in Nicaragua, more than 4,000 - the damage wrought to the region's fragile economies is becoming horrendously apparent as the floodwaters recede. Hurricane Mitch jumped more water over Central America in the space of a week than the region normally gets in a year.

In Honduras, 1m people are homeless, most highways and bridges have been washed away, and 70 per cent of crops have been destroyed. In Nicaragua, entire villages were buried under mudslides, 500,000 people are homeless and many cities are cut off. The damage to crops has been enormous. El Salvador and Guatemala also suffered flooding and mudslides.

Some towns, such as Santa Rosa de Aguin on the northern coast of Honduras, were swept off the map, and survivors have not been able to provide names of all of the missing. In Nicaragua, vice-president Enrique Bolanos says: "We may never know how many died."

In Tegucigalpa, capital of Honduras, the floodwaters rose quickly. Basketball nets poked from the brown water, marking what was once a riverside park. Whole districts of the city of 800,000 people have been washed away. Food, medicines and clean water are scarce, and doctors fear they will not be able to cope with the inevitable epidemics of cholera and typhoid.

Central America has had more than its share of natural disasters. Managua, the capital of Nicaragua, still bears the scars of the 1972 earthquake that killed 10,000 people. Hurricanes have often ravaged the region's mosquito coast. What has been so numbing this time is the scale of the destruction.

The hurricane unleashed its fury just as Central America was struggling to rebuild itself following the civil wars of the 1980s. In a cruel reminder of those wars, the flooding and erosion caused by Hurricane Mitch unearthed thousands of forgotten landmines this week. They have been seen floating down the Rio Coco, on the border of Honduras and Nicaragua, and lie strewn over roads and fields.

Hugo Not-Pino, the Honduran ambassador to the United Nations, estimates that 70 per cent of the nation's economic output has been lost. "This is Honduras' worst disaster in more than 100 years," he says.

The economic cost of the disaster has barely begun to be calculated. Emin Barium, the president of the Honduran central bank, believes as much as \$1.5bn (\$900m) of production in his country may have been destroyed for this year and 1999. Rebuilding the infrastructure could cost \$2bn, he says.

Coffee and banana crops - the country's two most important exports - were hit especially hard. And without roads or bridges, it will be impossible to market the few crops that survived.

Fernando Sanchez, head of Chiquita Brands in Honduras, estimates the damage to the banana crop at \$850m. "And those are just the preliminary estimates," he says.



Swept off the map: Santa Rosa de Aguin. Reuters

Chiquita Brands' headquarters in Cincinnati is organising relief efforts for its workers and residents in Honduras, and Steven Warshaw, Chiquita's president, says he expects little or no banana production from the storm-damaged region into 1999.

While the damage has made it extremely difficult to get coffee, bananas and sugar to ports and markets, governments are more worried about getting food, water and medicine to isolated communities.

The World Bank said on Thursday it was ready to speed up the disbursement of loans to Honduras in the aftermath of the hurricane. It said it would make funds available from a recently approved \$45m facility and advance \$20m from another World Bank credit to support disaster relief efforts.

"The World Bank is working with the government of Honduras to redirect funds under all other operations in their country as needed," the bank says.

"Hurricane Mitch would have strained the resources of any country, let alone nations as poor as Honduras and Nicaragua. Their combined gross domestic product does not reach \$8bn, but 10m people are burdened with \$10.7bn of foreign debt.

The natural disaster is all the more tragic in view of the fact that the peace dividend was beginning to bear fruit. Positive growth had been forecast for 1998 and inflation was down to low double digits. With the support of the International Monetary Fund, Nicaragua had begun a structural adjustment programme that would have allowed it to qualify for debt relief under a World Bank initiative for highly indebted countries. Honduras was also poised to adopt an IMF programme of its own.

After the storm, the case for debt relief has become even more urgent. IMF programmes will have to be revised to accommodate reconstruction work. Stricken countries will be more dependent on aid and development grants than before, despite the fact that donors have been critical of how aid has been administered in the past. In the meantime, aid agencies are planning "food for work" programmes. They fear that if they do not act quickly, governments might face serious social unrest.

A premium issue

The cost of life insurance could one day depend on your genetic code, say Andrew Bolger and Clive Cookson

Genetic tests available today

Disorder	Age of onset	Life insurance	Long-term care
Huntington's disease	35-50	High	High
Familial adenomatous polyposis	20+	High	Medium
Myotonic dystrophy	30+	High	High
Alzheimer's disease*	55+	Medium	High
Multiple endocrine neoplasia	Wide ranging	High	Medium
Hereditary motor & sensory neuropathy	Teens+	Low	Medium
Hereditary breast/ovarian cancer*	35+	High	High

Source: AIG

\* Only relevant when there is a very strong family history

about when we might die." The Human Genome Project - an international effort to decode all of the estimated 80,000 genes that determine human health and sickness - is accelerating towards a target completion date of 2003. Scientists already know of about 4,000 inherited disorders caused by defects in single genes.

But the discovery of a genetic defect does not instantly produce a valid test. Time-consuming and expensive research is required, both to develop a reliable kit and to show precisely what health effects the mutations cause. It is still not clear, for example, how many women carrying one of the notorious breast cancer susceptibility genes, BRCA1 and BRCA2, will actually go on to develop cancer; early estimates put the risk above 80 per cent but recent research suggests it may be below 50 per cent.

"It is far too early to reach any conclusions about how genetic testing can be used to predict life expectancy or the onset of ill health," says Sir Colin Campbell, the commission's chairman. "Genetic testing is in its infancy and we have no body of evidence rigorous or robust enough on which to base important conclusions

new tests will be developed over the next few years, as scientists discover how groups of genes interact with environmental factors to cause disease. If accurate genetic tests do become widely available, they could encourage two trends that would undermine the present economic basis of the insurance industry.

● Adverse selection: people who know they are at high risk take out insurance. This drives up the prices of premiums, so low-risk people are deterred from taking out policies and withdraw from the insurance "pool".

● Cherry-picking: insurers identify people at lower risk than average and offer them reduced premiums. If they join the preferred pool, this increases the average risk in the standard pool and premiums have to rise.

The industry suffered from adverse selection in the 1980s when individuals who knew they had HIV/AIDS took out extra insurance cover without disclosing their HIV status.

A more respectable name for cherry-picking is market segmentation and in general insurance, covering areas such as house contents and motor vehicles, policies favouring the better risks are common.

This trend has been

accelerated by developments such as direct selling and advances in information technology, which enable companies to identify and combine many risk factors and set premiums accordingly. However, general insurance has become increasingly competitive with huge amounts of capital chasing low margins.

Life insurers are reluctant to see similar forces transforming their traditionally profitable business. Since life insurance is linked for most people in the UK to home purchase and protection of dependents, the general availability of affordable policies is a matter of considerable public interest.

Indeed, the British Medical Association wants the debate to move beyond questions of giving insurance companies access to particular tests, to reassess the whole nature of the risk-based insurance industry. "Insurance in the UK is based on insuring against an unknown risk," says the BMA. "With the increasing development of tests which provide accurate, predictive information, this system will become less easy to sustain."

Although life insurance is the first sector of the industry in the UK to confront the issue of genetic testing, many people in the field believe the long-term challenges are greater in private health insurance and long-term care cover. Paul Seymour, of the Faculty and Institute of Actuaries, says a successful test for Alzheimer's, for example, could create an uninsurable "underclass".

Ultimately, genetic testing could prove most explosive in the workplace. "Too little attention has been given to the potential for discrimination if employers are allowed access to genetic information," says the Institute for Public Policy Research, a London think-tank. "This issue needs to be put much higher on the public policy agenda."

High anxiety

Michael Skapinker looks at whether 'air rage' really is on the increase

A stewardess on a flight from London to Malaga requires 15 stitches after a passenger attacks her with a broken vodka bottle. Rock star Ian Brown is sentenced to four months imprisonment after threatening to cut off a flight attendant's hands during a flight from Paris to Manchester.

Richard Branson, chairman of Virgin Atlantic, calls for a database of violent passengers, who will be banned from every airline on earth. In the US, the Federal Aviation Administration calls disruptive passengers "a new type of criminal".

Airline executives and staff across the world are unanimous: passengers are becoming increasingly violent and abusive. International action, as well as stiffer prison sentences, are needed to halt the rise in "air rage".

But is passenger violence really growing? There are no comprehensive figures - and what statistics there are provide little evidence of a substantial increase in air rage.

The FAA says it relies on

US airlines to file reports on disruptive incidents, although they are not obliged to do so. Given the increased publicity about air rage, the rise in the number of people travelling, and the airlines' insistence that the problem is growing, one might have expected the number of incidents reported to have increased sharply.

However, the figures have not changed substantially during the 1990s. There was a rise in the number of reported incidents from 99 in 1981 to 163 in 1992. By 1995, this had fallen to 121. Last year, the number rose again to 196. But so far this year, only 115 incidents have been reported.

In the UK, the number of serious incidents reported to the Civil Aviation Authority jumped from 11 in 1996 to 39 in 1998. The authority believes some of the rise resulted from increased publicity, which encouraged passengers to make reports. Last year, 37 incidents were reported. This year, there

have so far been 25.

How likely was the average passenger to witness one of these outbreaks? Not very. In the US, 600m people flew last year. In the UK, the figure was 147m.

Even the airlines that are most strident in their calls for action have few incidents to report. Virgin says three of its passengers have been prosecuted for disruption over the past 18 months. It carried 4m people over this period.

British Airways - whose chief executive, Robert Ayling, this week joined the call for international action - says it experienced 268 disruptive incidents last year. However, 70 per cent of these involved persistent smoking on non-smoking flights. It had to use restraining handcuffs on only 17 passengers during 1997, when it carried 41m people.

This does not mean airlines are wrong to call for action. No employee should have to endure the

experiences of Fiona Weir, the flight attendant for Airtours, the UK tour operator, who needed the 18 stitches after being attacked recently.

Disruption in the air is also more frightening than a violent incident outside a pub. There is nowhere for bystanders to escape to - and there is the danger that the safety of the aircraft could be affected.

What can airlines do? They are insisting that governments and courts take the issue seriously, so that violent passengers are left in no doubt about the consequences. The FAA compares its approach to its earlier demand that those who made jokes about airline security be treated harshly by the courts. "It's the same as we did 20 years ago, when we said, 'If you joke about having a bomb, you're in jail, fella'," the FAA says.

Courts in the UK and US have responded by imposing harsher sentences. Mr

Ayling this week called on all countries to follow the lead of the UK and US in prosecuting offenders, regardless of the nationality of the aircraft on which they were travelling. BA said Japan had refused to prosecute one of its violent passengers this year, although she was arrested when she returned to the UK.

The idea of an international database of offenders is less convincing. There does not appear to be a hardened group of air rage thugs, causing mayhem on one airline after another. Jailing a violent BA passenger earlier this year, Judge Anthony Durrant said those responsible for air rage "usually prove to be otherwise totally respectable and responsible people who, through drink, behave in an unseemly way on a plane".

This is the crux of the matter most, if not all, violent passengers are heavily intoxicated when

they commit their offences. This does not mean they should not be held responsible for their actions. But it does mean airlines should consider the part they play in encouraging passengers to drink.

Airlines serve, and sell, copious amounts of alcohol. Some passengers involved in air rage incidents were already drunk on airport duty-free liquor when they boarded their flights.

Airlines are supposed to stop them boarding - and many say that they do so.

The airlines seldom talk, however, about the effects of drinking in the air. They show films demonstrating exercises for passengers who want to avoid stiff necks, and have symbols on their menus indicating non-fattening food. But airlines do not tell their passengers that they will get drunk far more quickly in a pressurised cabin than they would on the ground.

Virgin said this week it was considering trying to educate its passengers about the perils of in-flight drinking. But BA dismissed the idea, saying "more research" was needed into the causes of air rage.





## COMMODITIES &amp; AGRICULTURE

## Hurricane whisks up coffee price

## WEEK IN THE MARKETS

By Paul Solman

Central America has begun to count the cost of Hurricane Mitch, which smashed through the region at the end of last week, killing thousands and leaving large areas under water.

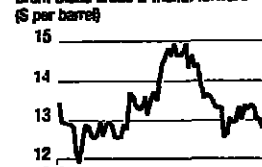
Among huge losses in agriculture, the coffee crop was an early victim, with Guatemala, Honduras and Nicaragua reporting severe damage. Central America produces 10-12 per cent of the world's arabica supplies and exports are important to the region's economies.

Arabica futures on New York's Coffee, Sugar and Cocoa Exchange jumped as traders began to fear a shortage of beans deliverable against the contracts. The most actively traded December contract closed up 9.7 cents - or about 9 per cent - at 118.7 cents a pound on Monday and continued to rise throughout the week. In afternoon trading yesterday, it was 125 cents against last week's close of 110 cents.

On the London International Financial Futures and Options Exchange, robust coffee futures also rose, the January contract closing up \$18 at \$1.705 a tonne yesterday against \$1.612 last week.

Nickel prices rose as Ermet mine workers in New Caledonia began a strike. The three-month contract on the London Metal Exchange breached \$4,000 a tonne to close \$145 higher at \$4,080 on Monday. By yesterday's close it was up \$30 at \$4,300, a gain of \$300 on the week.

On the oil markets, crude



Brent crude oil 2-month forward (\$ per barrel)

Source: Reuters

## LME warehouse stocks

Tonnes	Change
Aluminium	525,000 -1,500
Aluminium alloy	65,300 +140
Copper	464,200 +625
Lead	118,125 -250
Nickel	60,324 -350
Zinc	345,075 -1,500
Tin	7,045 -125

\* Thursday's close

prices drifted lower in spite of signs of renewed tension in the Middle East. The market was once again weighed down by worries about supply, and signs of confrontation between the US and Iraq over UN weapons inspections failed to hold the price in London above \$13 a barrel. The weekly report from the American Petroleum Institute showed a rise in crude stocks.

In late trading yesterday, the benchmark December contract for Brent blend oil was trading at \$12.52, close to Thursday's close of \$12.50, and well below last week's finish of \$13.22.

Gold ended the week marginally stronger. Yesterday afternoon's "fix" in London was \$293.30 an ounce against last week's \$292.30.

Nickel prices rose as Ermet mine workers in New Caledonia began a strike. The three-month contract on the London Metal Exchange breached \$4,000 a tonne to close \$145 higher at \$4,080 on Monday. By yesterday's close it was up \$30 at \$4,300, a gain of \$300 on the week.

On the oil markets, crude

## WEEKLY PRICE CHANGES

	Latest price	Change on week	Year ago	High	Low
Gold per troy oz.	\$293.30	+0.30	\$292.30	\$297.25	\$277.15
Silver per troy oz.	\$22.75	+0.25	\$22.20	\$23.70	\$21.20
Aluminium 50 lb (cwt)	\$1,575.00	+1.00	\$1,574.00	\$1,575.00	\$1,574.00
Copper 30 lb (cwt)	\$1,617.00	+3.50	\$1,612.00	\$1,615.00	\$1,610.00
Lead 25 lb (cwt)	\$1,485.00	+1.75	\$1,483.00	\$1,485.00	\$1,483.00
Nickel 35 lb (cwt)	\$4,300.00	+3.00	\$4,297.00	\$4,300.00	\$4,297.00
Zinc 25 lb (cwt)	\$1,815.00	+0.50	\$1,814.00	\$1,815.00	\$1,814.00
Tin 25 lb (cwt)	\$5,000.00	+5.00	\$5,000.00	\$5,000.00	\$5,000.00
Coffee futures Dec	\$118.70	+9.70	\$109.00	\$118.70	\$109.00
Cocoa futures Dec	\$1,915.00	+12.00	\$1,903.00	\$1,915.00	\$1,903.00
Sugar (111) Dec	\$17.00	+0.80	\$16.20	\$17.00	\$16.20
Wheat futures Nov	\$7.75	-0.50	\$7.25	\$7.75	\$7.25
Wheat futures Dec	\$7.75	-0.50	\$7.25	\$7.75	\$7.25
Cotton futures Dec	\$7.00	-0.10	\$6.90	\$7.00	\$6.90
Wool 540 Super	\$7.00	-0.10	\$6.90	\$7.00	\$6.90
Oil (Brent)	\$12.52	-0.70	\$13.22	\$12.52	\$13.22

Per tonne unless otherwise stated; \* Futures; C: Cents; S: Spots

## WORLD BOND PRICES

US Treasuries set gloomy mood

## GOVERNMENT BONDS

By John Labate in New York and Paul Clark in London

US Treasuries fell back sharply as equities pushed higher in early afternoon trading. The benchmark 30-year bond fell 1/8 to 97 1/2, sending the yield to 5.11 per cent. Among shorter-term issues the 10-year bond was down 1/8 to 98 1/2, yielding 4.92 per cent, and the two-year note lost 1/8 to 98 1/2, yielding 4.68 per cent.

Traders attributed the weakness to technical repositioning coming from three Treasury auctions earlier in the week. In addition, some appear less confident that the Federal Open Market Committee will cut interest rates at its forthcoming meeting.

European markets took their cue from falling US Treasuries yesterday as gov-

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Anonymous Metal Trading)

## ALUMINIUM, 99.7 PURITY (\$ per tonne)

Cash 3 mths

Close 1296-97 1297-98

Highlow 1296-97 1297-98

AM Official 1296-97 1297-98

Kerb close 1296-97 1297-98

Open bid 344,801 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

Open ask 40,472

Open bid 40,472

## Precious Metals continued

## GOLD COMEX (100 Troy oz. \$ per oz)

Sett. Day's price change High Low Vol

Dec 294.0 -0.8 295.9 292.9 37,951 75,738

Jan 294.0 -0.8 295.9 292.9 37,951 75,738

Feb 294.0 -0.8 295.9 292.9 37,951 75,738

Mar 294.0 -0.8 295.9 292.9 37,951 75,738

Apr 294.0 -0.8 295.9 292.9 37,951 75,738

May 294.0 -0.8 295.9 292.9 37,951 75,738

Jun 294.0 -0.8 295.9 292.9 37,951 75,738

Jul 294.0 -0.8 295.9 292.9 37,951 75,738

Aug 294.0 -0.8 295.9 292.9 37,951 75,738

Sep 294.0 -0.8 295.9 292.9 37,951 75,738

Oct 294.0 -0.8 295.9 292.9 37,951 75,738

Nov 294.0 -0.8 295.9 292.9 37,951 75,738

Dec 294.0 -0.8 295.9 292.9 37,951 75,738

Jan 294.0 -0.8 295.9 292.9 37,951 75,738

Feb 294.0 -0.8 295.9 292.9 37,951 75,738

Mar 294.0 -0.8 295.9 292.9 37,951 75,738

Apr 294.0 -0.8 295.9 292.9 37,951 75,738

May 294.0 -0.8 295.9 292.9 37,951 75,738

Jun 294.0 -0.8 295.9 292.9 37,951 75,738

Jul 294.0 -0.8 295.9 292.9 37,951 75,738

Aug 294.0 -0.8 295.9 292.9 37,951 75,738

Sep 294.0 -0.8 295.9 292.9 37,951 75,738

Oct 294.0 -0.8 295.9 292.9 37,951 75,738

Nov 294.0 -0.8 295.9 292.9 37,951 75,738

Dec 294.0 -0.8 295.9 292.9 37,951 75,738

Jan 294.0 -0.8 295.9 292.9 37,951 75,738

Feb 294.0 -0.8 295.9 292.9 37,951 75,738

Mar 294.0 -0.8 295.9 292.9 37,951 75,738

Apr 294.0 -0.8 295.9 292.9 37,951 75,738

May 294.0 -0.8 295.9 292.9 37,951 75,738

Jun 294.0 -0.8 295.9 292.9 37,951 75,738

Jul 294.0 -0.8 295.9 292.9 37,951 75,738

Aug 294.0 -0.8 295.9 292.9 37,951 75,738

Sep 294.0 -0.8 295.9 292.9 37,951 75,738

Oct 294.0 -0.8 295.9 292.9 37,951 75,738

Nov 294.0 -0.8 295.9 292.9 37,951 75,738

Dec 294.0 -0.8 295.9 292.9 37,951 75,738

Jan 294.0 -0.8 295.9 292.9 37,951 75,738

Feb 294.0 -0.8 295.9 292.9 37,951 75,738

Mar 294.0 -0.8 295.9 292.9 37,951 75,738

Apr 294.0 -0.8 295.9 292.9 37,951 75,738

May 294.0 -0.8 295.9 292.9 37,951 75,738

Jun 294.0 -0.8 295.9 292.9 37,951 75,738

Jul 294.0 -0.8 295.9 292.9 37,951 75,738

Aug 294.0 -0.8 295.9 292.9 37,951 75,738

Sep 294.0 -0.8 295.9 292.9 37,951 75,738

Oct 294.0 -0.8 295.9 292.9 37,951 75,738

Nov 294.0 -0.8 295.9 292.9 37,951 75,738

Dec 294.0 -0.8 295.9 292.9 37,951 75,738

Jan 294.0 -0.8 295.9 292.9 37,951 75,738

Feb 294.0 -0.8 295.9 292.9 37,951 75,738

Mar 294.0 -0.8 295.9 292.9 37,951 75,738

Apr 294.0 -0.8 295.9 292.9 37,951 75,738

May 294.0 -0.8 295.9 292.9 37,951 75,738

Jun 294.0 -0.8 295.9 292.9 37,951 75,738

Jul 294.0 -0.8 295.9 292.9 37,951 75,738

Aug 294.0 -0.8 295.9 292.9 37,951 75,738



## CURRENCIES &amp; MONEY

## Irish surprise

MARKETS REPORT  
By Alan Beattie

The Irish central bank sprung a late surprise yesterday by slashing a huge 125 basis points off interest rates.

Acting only half an hour before the end of London foreign exchange trading hours, the Irish authorities reduced the repo rate from 4.94 per cent to 3.69 per cent. The move left rates just 40 basis points above the expected convergence level of 3.3 per cent for currencies entering the euro in the new year.

The punt was broadly unchanged, ending at £1.1110 against sterling at the end of London trading.

The markets had generally expected a cut in interest rates at the end of this week or early next, but the sheer size of the move took them by surprise.

Many had thought that the continued rapid growth of the Irish economy, which

has outpaced almost all of its euro-zone partners in recent years, would encourage the central bank to keep rates relatively high in an attempt to bring the real side of the economy into line.

The move may spark renewed speculation that early interest rate convergence would allow European core interest rates to be cut before the end of the year.

**STERLING YESTERDAY CONTINUED**

**THE POUND IN NEW YORK**

used to show an unexpectedly robust reaction to the 50 basis point cut in interest rates announced by the Bank of England's monetary policy committee (MPC) on Thursday.

At the close of London trading yesterday the pound had closed up at DM2.764

against the D-Mark and \$1.653 against the dollar.

The dollar itself confronted mixed messages about prospects for US interest rates. In the dovish corner were the inadvertently released non-farm payroll data, showing employment growing more slowly than the market had expected.

Wearing the hawk's costume was Alan Greenspan, who on Thursday repeated what appears to be an agreed 97 line that the crisis in global financial markets is dissipating. The markets inferred from this that a further easing of US interest rates for liquidity reasons was less likely.

The net result was that the dollar ended somewhat higher against the yen at ¥118.3, though for much of London dealing hours it had wandered aimlessly in thin and off-week trading.

**THE AUSTRALIAN DOLLAR**

leapt in midweek European trading yesterday. After drifting down slowly in Asian trading, the Aussie rose nearly one per cent against the dollar before

softening to finish at A\$1.5779, up from A\$1.5809 at the previous day's close.

Market analysts pointed to an article in Saturday's Australian Financial Review (AFR) as the reason for the abrupt jump. The AFR cast doubt on the prospects for an interest rate cut in Australia before Christmas.

"The AFR article undoubtedly pushed the Aussie higher," said one economist at an Australian bank in London yesterday. "But there wasn't much volume going through today in any case."

The analyst added that there was about a 50-50 chance of a small easing in interest rates before the end of the year, and that the failure to cut would provide some support for the Australian dollar.

"But in the longer term the Aussie's fortunes are pegged to the yen," he said. "There can be some unbiting in the short term but it can't persist for ever." A yen level below ¥120 against the dollar would weigh on the Australian currency, he thought.

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

Against the D-Mark (DM/\$)

Against the yen (¥/\$)

## WORLD INTEREST RATES

## MONEY RATES

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months

One year

Long term

Dec 1998

Repo rate

Nov 6

Over night

One month

Three months

Six months



## UNIT TRUSTS

## WINNERS AND LOSERS

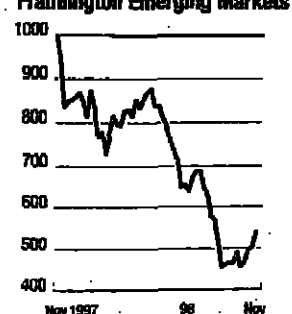
## TOP FIVE OVER 1 YEAR:

Baring German Growth	1,541
Newton European	1,408
Invesco European Small Cos	1,385
CF Oakley European Acc	1,379
QIM Paribas French Equities	1,375

## BOTTOM FIVE OVER 1 YEAR:

Dimensional UK Smaller Cos	328
Dresdner RCM GI Emer Mkts	523
Scot Widows Latin America	524
Franklin Templeton Emerging Markets	543
Portfolio Emerging Markets	544

## Franklin Templeton Emerging Markets



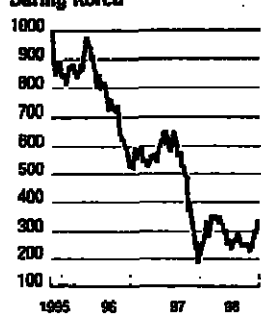
## TOP FIVE OVER 3 YEARS:

Jupiter UK Growth Exempt	2,207
TU European	2,181
Newton European	2,128
Invesco European Growth	2,107
Invesco European Small Cos	2,054

## BOTTOM FIVE OVER 3 YEARS:

Old Mutual Thailand Acc	271
Save & Prosper Korea	273
Schroder Seoul	283
Baring Korea	336
Save & Prosper Gold & Exp/Inv	357

## Baring Korea



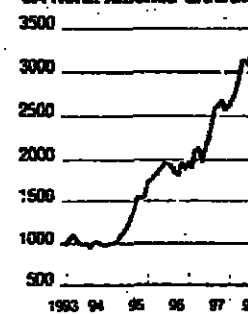
## TOP FIVE OVER 5 YEARS:

GA North America Growth	3,138
Gartmore European Set Opps	2,913
Invesco European Small Cos	2,826
Threadneedle Euro Set GI Acc R	2,747
Threadneedle Euro Set GI Acc R	2,704

## BOTTOM FIVE OVER 5 YEARS:

Save & Prosper Korea	256
Schroder Seoul	304
Old Mutual Thailand Acc	324
Schroder Japan Small Cos Acc	356
Henderson Japan Smaller Cos	385

## GA North America Growth



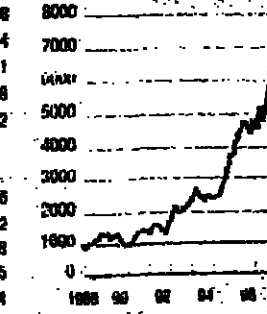
## TOP FIVE OVER 10 YEARS:

GA North America Growth	7,888
F&C US Smaller Companies	7,534
Aberdeen Pacific Technology	7,081
Hill Samuel US Smaller Cos	6,448
Lincoln North American	6,422

## BOTTOM FIVE OVER 10 YEARS:

Barclays Japan	408
Henderson Japan Smaller Cos	442
M&G Japan Acc	488
Invesco Japan Growth	525
Henderson Japan	554

## GA North America Growth



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

## Indices

Index	1 year	3	5	10	Volatility	Yield
Average Unit Trust	1009	1286	1448	2760	4.3	2.6
Average Investment Trust	1043	1309	1545	3104	6.1	5.0
Bank	1048	1122	1208	1786	0.6	5.7
Building Society	1043	1114	1202	1786	0.0	5.4
Stockmarket: FTSE All-Share	1147	1647	1992	3771	3.6	3.3
Inflation	1032	1032	1159	1517	0.3	-

## UK Growth

Index	1 year	3	5	10	Volatility	Yield
Jupiter UK Growth Exempt	1344	2207	-	-	4.8	0.9
Johnson Fry Smaller Growth	950	1919	2083	4155	4.3	1.9
River & Mercantile 1st Growth	1085	1746	2324	-	3.5	0.9
Thornhill Capital	1142	1716	1861	-	3.9	0.3
Lloyds TSB Environmental Inv	1141	1689	1938	-	3.7	1.1
SECTOR AVERAGE	1032	1431	1674	2695	3.8	1.7

## UK Growth &amp; Income

Index	1 year	3	5	10	Volatility	Yield
Fleming Select UK Income	1144	1786	2132	3107	3.8	2.7
CF The Utilities	1247	1744	2247	-	3.6	2.6
River & Mercantile Top 100	1180	1706	-	-	3.8	3.0
Lawrence Ken Income & Growth	1122	1692	1896	-	3.8	3.1
HSBC Flexible Fund	1154	1689	1887	-	3.9	1.9
SECTOR AVERAGE	1070	1478	1706	2697	3.6	2.3

## UK Smaller Companies

Index	1 year	3	5	10	Volatility	Yield
GT UK Smaller Companies Acc	1201	1821	1988	-	4.3	1.3
NorthWest UK Smaller Cos	820	1612	-	-	4.7	2.3
Lawrence Ken Smaller Cos	958	1587	2194	-	4.4	1.8
Henderson Growth Capital	1030	1658	1853	-	4.2	1.2
Gartmore UK Smaller Companies	867	1498	2097	2293	4.9	1.3
SECTOR AVERAGE	875	1124	1336	1805	4.4	1.9

## UK Equity Income

Index	1 year	3	5	10	Volatility	Yield
BWUK UK Equity Income	1113	1725	2123	3313	3.4	3.5
Jupiter Income	1066	1693	2258	4859	3.1	3.6
Premier Dividend	1105	1665	2036	2182	3.4	3.7
Fidelity Income Plus	1120	1654	1741	2413	3.2	4.2
Newton Higher Income	1099	1594	1887	3418	3.7	4.3
SECTOR AVERAGE	1048	1453	1658	2786	3.3	4.0

## UK Equity &amp; Bond Income

Index	1 year	3	5	10	Volatility	Yield
Edinburgh UK Income	1098	1545	1718	2288	2.9	3.4
Abbey National Extra Income	1098	1542	1701	2379	2.4	4.4
CSU PPT High Yield	1104	1518	1646	2463	2.7	5.6
CIS UK Income	1098	1518	1718	-	2.8	3.5
HSBC High Income	1039	1497	-	-	2.5	5.8
SECTOR AVERAGE	1044	1373	1507	2367	2.5	5.1

## UK Eq &amp; Bd

Index	1 year	3	5	10	Volatility	Yield
Perpetual High Income	1080	1528	1902	4420	3.8	3.7
Canale Income Dis	1069	1517	1885	2571	3.0	2.9
NP UK Extra Income	1113	1486	1782	-	3.0	2.1
AKA Sun Life High Yield	1067	1474	1620	2503	3.0	2.5
Credit Suisse Monthly Inc Port	1059	1454	1789	-	3.2	3.6
SECTOR AVERAGE	1088	1450	1681	2983	3.1	2.9

## UK Fixed Interest

Index	1 year	3	5	10	Volatility	Yield
CSU PPT Preference	1168	1544	1806	2323	2.3	6.0
Morgan Gren MIP Annuity Conv Ex	1132	1460	-	-	1.7	5.0
Henderson Preference & Bond	1089	1455	1568	2032	1.2	6.7
Proffitt Prof & Fixed Interest	1080	1453	1560	2128	1.5	5.3
CSU PPT Monthly Income Plus	1101	1452	1550	-	1.7	7.0
SECTOR AVERAGE	1070	1309	1400	2126	1.4	5.0

## UK Gift

Index	1 year	3	5	10	Volatility	Yield
Fleming Select Long-dated Gift	1231	1614	-	-	2.1	5.5
Fidelity Institutional Lg Gift	1232	1589	-	-	2.2	5.5
Mercury Long-Dated Bond	1150	1461	1506	-	2.1	3.5
M&G Gift & Fixed Interest	1151	1423	1486	2257	1.8	4.8
Gartmore PS Fixed Interest	1150	1396	1431	2292	1.5	5.8
SECTOR AVERAGE	1171	1304	1333	2152	1.3	4.9

## Far East ex Japan

Index	1 year	3	5	10	Volatility	Yield
HSBC Hong Kong Growth	824	1189	1251	5182	10.0	2.8
Friends Prov Australian	915	1148	1226	2588	8.1	-
INWESCO Hong Kong & China	708	956	885	3544	10.0	2.3
Fidelity South East Asia	941	888	900	3544	9.1	1.4
Old Mutual Hong Kong	812	867	895	3968	10.8	2.1
SECTOR AVERAGE	778	834	837	2425	8.8	1.5

## Far East Inc Japan

Index	1 year	3	5	10	Volatility	Yield
Jupiter Far Eastern	978	858	755	1739	7.4	-
HSBC Greater China	853	838	852	1823	8.7	-
Royal & SunAll Far East	824	812	808	1128	6.2	1.3
Save & Prosper Far East Sm Cos	808	802	800	-	5.0	1.1
Royal Life Pacific Basin	925	777	708	1119	6.1	0.8
SECTOR AVERAGE	812	882	686	1463	6.5	1.0

## Japan

Index	1 year	3	5	10	Volatility	Yield
Murray Japan Growth	1114	929	907	-	5.8	-
HSBC Greater China	853	838	852	1823	8.7	-
Baillie Gifford Japanese	850	872	810	1251	5.8	-
Martin Currie Japan	891	857	857	-	5.8	-
GT Japan Growth	880	834	883	1246	3.1	0.0
SECTOR AVERAGE	857	850	804	828	6.3	0.7

## Europe

Index	1 year	3	5	10	Volatility	Yield
TU European	1316	2161	-	-	4.6	1.4
Newton European	1408	2128	2887	4928	5.7	0.3
INWESCO European Growth	1358	2107	2826	5421	6.5	-
INWESCO European Small Cos	1385	2054	2247	5501	5.7	-
Baring German Growth	1541	2031	2229	-	8.0	0.5
SECTOR AVERAGE	1194	1987	2054	4051	5.4	0.8

## Global Emerging Mkts

Index	1 year	3	5	10	Volatility	Yield
Stewart Hony Emerging Market	659	882	830	-	7.8	1.5
Gartmore PS Emerging Markets	731	819	801	-	8.0	1.4
Mercury Emerging Markets	607	812	749	-	8.5	0.3
Save & Prosper Emerging Mkts	693	737	-	-	9.3	1.3
Gartmore Emerging Markets	674	710	567	1199	7.8	-
SECTOR AVERAGE	644	681	620	1872	8.0	1.3

## International Equity Income

Index	1 year	3	5	10	Volatility	Yield
GT International Income	1196	1631	1747	3851	3.4	2.6
Premier Global 100	1153	1389	1513	1892	4.0	-
M&G International Income	1065	1385	1482	3161	3.5	4.2
Mayflower Global Income	1082	1378	1578	2767	3.2	2.4
SECTOR AVERAGE	1092	1448	1582	2518	3.5	2.3

## International Fixed Interest

Index	1 year	3	5	10	Volatility	Yield
Newton International Bond	1093	1283	1252	-	1.9	4.1
Baring Global Bond	1084	1282	1338	-	1.5	4.8
Barclays BGI Intl Fix Interest	1081	1267	1291	-	1.0	4.2
Mayflower Managed	1078	1232	1312	2388	1.7	3.5
RES Intl Bond & Convertible	1050	1222	1244	-	1.1	5.4
SECTOR AVERAGE	1071	1102	1137	1932	1.8	4.5

## International Equity &amp; Bond

Index	1 year	3	5	10	Volatility	Yield
Fleming General Opportunities	1143	1526	1649	-	2.8	3.3
GA Income Portfolio	1053	1445	1505	-	3.8	2.7
Bank of Ireland Ex Mkt Growth	1050	1380	1611	3279	3.5	2.0
NP Worldwide Income	1051	1369	1582	-	3.4	2.3
MT General	1087	1363	-	-	3.8	-
SECTOR AVERAGE	1067	1283	1389	2825	2.8	2.7

## International Growth

Index	1 year	3	5	10	Volatility	Yield
Franklin Templeton Growth	1107	1792	2085	5953	5.2	0.7
Save & Prosper Financial Secs	1036	1734	2226	4420	4.9	0.6
Gartmore Global Utilities	1209	1672	1843	-	4.3	1.3
Hill Samuel Financial	1068	1601	1830	3526	4.8	1.5
Save & Prosper Growth	1104	1541	1946	4075	4.1	0.7
SECTOR AVERAGE	1102	1558	1422	2839	4.8	1.2

## Best Peps

Index	1 year	3	5	10	Volatility	Yield
TU European	1316	2161	-	-	4.6	1.4
Newton European	1408	2128	2887	4928	5.7	0.3
INWESCO European Growth	1358	2107	2826	5421	6.5	-
INWESCO European Small Cos	1385	2054	2247	5501	5.7	-
Threadneedle Euro Set GI Acc R	1239	2055	2301	-	6.0	-
SECTOR AVERAGE	1302	1413	1888	-	5.6	2.7

## Property

Index	1 year	3	5	10	Volatility	Yield
Norwich Property	1020	1317	1465	-	1.0	4.7
Aberdeen Profit Property Str	843	1303	1171	-	3.6	2.0
Barclays Property	1004	1232	1336	-	0.8	5.6
Always Residential Property	886	1185	-	-	0.9	5.5
SECTOR AVERAGE	958	1259	1321	-	1.8	4.4

## Nth America

Index	1 year
-------	--------







### Authorized and Insurances

### Authorized and Insurances

[illegible][illegible]

North American	1,959.8	-0.7	North American	710.2	809.9	+11.5
Latin America	1,959.8	-0.7	Latin America	20.9	20.9	0.0
Europe	7,554.2	-0.2	Europe	2,026.6	2,026.6	0.0
Asia Pacific	7,554.2	-0.2	Asia Pacific	27.7	27.7	0.0
South America	1,959.8	-0.7	South America	1,380.0	1,403.3	+0.2
Other	1,959.8	-0.7	Other	19.1	19.1	0.0
North American	1,959.8	-0.7	North American	96.7	104.0	+0.8
Latin America	1,959.8	-0.7	Latin America	103.2	103.2	0.0
Europe	7,554.2	-0.2	Europe	101.7	101.7	0.0
Asia Pacific	7,554.2	-0.2	Asia Pacific	101.7	101.7	0.0
South America	1,959.8	-0.7	South America	101.7	101.7	0.0
Other	1,959.8	-0.7	Other	101.7	101.7	0.0
Only available with Premium Subscription						
Detailed Performance Data						
Market			461.7	514.5	+0.7	
North America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Latin America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Europe	7,554.2	-0.2	7,554.2	7,554.2	0.0	
Asia Pacific	7,554.2	-0.2	7,554.2	7,554.2	0.0	
South America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Other	1,959.8	-0.7	1,959.8	1,959.8	0.0	
North America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Latin America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Europe	7,554.2	-0.2	7,554.2	7,554.2	0.0	
Asia Pacific	7,554.2	-0.2	7,554.2	7,554.2	0.0	
South America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Other	1,959.8	-0.7	1,959.8	1,959.8	0.0	
North America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Latin America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Europe	7,554.2	-0.2	7,554.2	7,554.2	0.0	
Asia Pacific	7,554.2	-0.2	7,554.2	7,554.2	0.0	
South America	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Other	1,959.8	-0.7	1,959.8	1,959.8	0.0	
Detailed Investment Performance Data						
Please see the full ending on Webpage						
Domestic Equity	3,959.2	+0.7				
International Equity	3,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7				
Priority Inc.	2,959.2	+0.7				
Fixed Inc. Gd	1,959.8	+0.7				
1 Month Gd	1,959.8	+0.7		</		

[illegible]

Agency A	196.3	204.9	+4.3	Continued Union
Agency B	321.1	301.1	-6.2	23 Higher State Youth Vols (1994-2000)
Agency C	281.1	289.3	+2.9	Life Vols (1994)
Agency D	148.1	149.1	+0.7	Police Vols (1994)
Agency E	184.1	187.7	+1.7	Police Vols (1994)
Agency F	292.1	291.1	-0.3	Police Vols (1994)
Agency G	174.1	174.1	0.0	Police Vols (1994)
Agency H	297.1	292.1	-1.7	Police Vols (1994)
Agency I	297.1	292.1	-1.7	Police Vols (1994)
Agency J	297.1	292.1	-1.7	Police Vols (1994)
Agency K	297.1	292.1	-1.7	Police Vols (1994)
Agency L	297.1	292.1	-1.7	Police Vols (1994)
Agency M	297.1	292.1	-1.7	Police Vols (1994)
Agency N	297.1	292.1	-1.7	Police Vols (1994)
Agency O	297.1	292.1	-1.7	Police Vols (1994)
Agency P	297.1	292.1	-1.7	Police Vols (1994)
Agency Q	297.1	292.1	-1.7	Police Vols (1994)
Agency R	297.1	292.1	-1.7	Police Vols (1994)
Agency S	297.1	292.1	-1.7	Police Vols (1994)
Agency T	297.1	292.1	-1.7	Police Vols (1994)
Agency U	297.1	292.1	-1.7	Police Vols (1994)
Agency V	297.1	292.1	-1.7	Police Vols (1994)
Agency W	297.1	292.1	-1.7	Police Vols (1994)
Agency X	297.1	292.1	-1.7	Police Vols (1994)
Agency Y	297.1	292.1	-1.7	Police Vols (1994)
Agency Z	297.1	292.1	-1.7	Police Vols (1994)
Agency AA	297.1	292.1	-1.7	Police Vols (1994)
Agency AB	297.1	292.1	-1.7	Police Vols (1994)
Agency AC	297.1	292.1	-1.7	Police Vols (1994)
Agency AD	297.1	292.1	-1.7	Police Vols (1994)
Agency AE	297.1	292.1	-1.7	Police Vols (1994)
Agency AF	297.1	292.1	-1.7	Police Vols (1994)
Agency AG	297.1	292.1	-1.7	Police Vols (1994)
Agency AH	297.1	292.1	-1.7	Police Vols (1994)
Agency AI	297.1	292.1	-1.7	Police Vols (1994)
Agency AJ	297.1	292.1	-1.7	Police Vols (1994)
Agency AK	297.1	292.1	-1.7	Police Vols (1994)
Agency AL	297.1	292.1	-1.7	Police Vols (1994)
Agency AM	297.1	292.1	-1.7	Police Vols (1994)
Agency AN	297.1	292.1	-1.7	Police Vols (1994)
Agency AO	297.1	292.1	-1.7	Police Vols (1994)
Agency AP	297.1	292.1	-1.7	Police Vols (1994)
Agency AQ	297.1	292.1	-1.7	Police Vols (1994)
Agency AR	297.1	292.1	-1.7	Police Vols (1994)
Agency AS	297.1	292.1	-1.7	Police Vols (1994)
Agency AT	297.1	292.1	-1.7	Police Vols (1994)
Agency AU	297.1	292.1	-1.7	Police Vols (1994)
Agency AV	297.1	292.1	-1.7	Police Vols (1994)
Agency AW	297.1	292.1	-1.7	Police Vols (1994)
Agency AX	297.1	292.1	-1.7	Police Vols (1994)
Agency AY	297.1	292.1	-1.7	Police Vols (1994)
Agency AZ	297.1	292.1	-1.7	Police Vols (1994)
Agency BA	297.1	292.1	-1.7	Police Vols (1994)
Agency BB	297.1	292.1	-1.7	Police Vols (1994)
Agency BC	297.1	292.1	-1.7	Police Vols (1994)
Agency BD	297.1	292.1	-1.7	Police Vols (1994)
Agency BE	297.1	292.1	-1.7	Police Vols (1994)
Agency BF	297.1	292.1	-1.7	Police Vols (1994)
Agency BG	297.1	292.1	-1.7	Police Vols (1994)
Agency BH	297.1	292.1	-1.7	Police Vols (1994)
Agency BI	297.1	292.1	-1.7	Police Vols (1994)
Agency BJ	297.1	292.1	-1.7	Police Vols (1994)
Agency BK	297.1	292.1	-1.7	Police Vols (1994)
Agency BL	297.1	292.1	-1.7	Police Vols (1994)
Agency BM	297.1	292.1	-1.7	Police Vols (1994)
Agency BN	297.1	292.1	-1.7	Police Vols (1994)
Agency BO	297.1	292.1	-1.7	Police Vols (1994)
Agency BP	297.1	292.1	-1.7	Police Vols (1994)
Agency BQ	297.1	292.1	-1.7	Police Vols (1994)
Agency BR	297.1	292.1	-1.7	Police Vols (1994)
Agency BS	297.1	292.1	-1.7	Police Vols (1994)
Agency BT	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police Vols (1994)
Agency BU	297.1	292.1	-1.7	Police Vols (1994)
Agency BV	297.1	292.1	-1.7	Police V

[illegible][illegible][illegible]

# PROPERTY UNIT TRUSTS

	Estimated Folio Price	Trading Price	% Diff.	Total Gains
<b>Galson Property Unit Trust</b>				
Property Unit 30	02290	2435		8.9
<b>Manover Property Unit Trust</b>				
Property Unit 30	02525	12195		6.00
<b>Manoverman Property Fund</b>				
Property Unit 30	014165	1581.1		3.85
<b>Mill Colonial Property Unit Trust</b>				
Property Unit 30	02100	372		5.67
<b>Langhams Property Unit Trust</b>				
Property Unit 30	03844	4138		4.72
<b>Lazard Brothers &amp; Co., Limited</b>				
Property Unit 30	02501.20	2440		9.7
<b>Lee City Unit Trust</b>				
Property Unit 30	01400	1140		8.8
<b>Lincolnbrook Property Partnership</b>				
Lincolnbrook Property Unit 30	011020	1148		8.50

Global Managed Acc.	942.3	255.1	-0.7
Higher Income Acc.	1724.8	1819.7	-0.7
Index-Linked Acc.	272.7	233.4	+1.1
Japan Acc.	182.3	205.5	-0.8
Managed Acc.	1357.0	1222.2	+0.8
North America Acc.	765.7	742.9	+0.4
Pacific Acc.	269.7	263.9	-0.2
Priority Acc.	695.2	663.9	—
Real Estate Acc.	236.1	212.8	—
UK Equity Acc.	2302.6	2424.1	-12.6
Pension Funds			
Penn Cash Acc.	557.9	618.6	+0.1
Penn Ethical Acc.	65.7	91.3	+0.2
Penn Europe Acc.	557.9	618.6	+0.1
Penn Growth Acc.	557.9	618.6	+0.1
Penn Global Equity Acc.	625.5	676.4	-0.7
Penn Global Managed Acc.	286.0	309.1	-1.9

Penn. Electric—Lafayette Area...	393.1	392.6	+1.4	-
Penn. Jersey Area...	215.0	205.6	+9.5	-
Penn. Potomac Area...	173.2	174.4	-1.2	-
Penn. Pot. Atlantic Area...	357.1	369.3	-12.4	-
Penn. Chesapeake Area...	1197.4	1218.4	-1.9	-
Penn. Pacific Area...	360.3	378.3	-18.1	-
Penn. Potomac Area...	706.4	740.3	-33.9	-
Penn. Potomac Area...	208.0	202.4	+5.6	-
Penn. Potomac Area...	159.0	164.3	-5.3	-
Penn. Pot. Equity Area...	251.4	265.9	-14.5	-
<b>AXA Equity &amp; Law Life Assn</b>				
American Home, High Wycombe	67,494,469,463			
<b>Life Points Series 6 (Other Series are missing)</b>				
International Series 6...	1025.8	1079.6	-53.8	-
Domestic Series 6...	117.2	124.6	-7.2	5.86
Life Points Series 6...	22.4	24.1	-1.7	-
Life Points Series 6...	49.1	49.1	-	-

[illegible]

Pawn Company	239.0	307.1	-0.9	-
Pawn Company	1157.4	1218.4	-1.9	-
Pawn Property	708.4	740.8	-0.1	-
Pawn Property	238.0	272.9	-0.2	-
Pawn Property	18.0	14.3	-	-
<b>Abby Life Assurance Co Ltd</b>				
100 Industrial Bank Branch		01262	005973	
Prop. Sec. 1	239.2	302.4	-	0
Prop. Sec. 1	248.5	259.0	-0.3	0
Prop. Acct. Ser 2	977.9	971.1	-	0
Prop. Sec. 2	371.8	399.2	-0.4	-
Prop. Acct. Ser 2	747.3	744.4	-	0
Prop. Sec. 4	480.9	508.3	-	0
Prop. Sec. 4	338.2	347.9	-0.4	0.0
Prop. Sec. 4	918.7	935	-1.3	0
Prop. Sec. 4	702.5	702.5	-	0
Industrial Ser. Sec. 4	309.7	305.0	-0.9	0

Japan Inc.	234.2	239.0	-3.1	0
European Ser. 4	304.8	320.7	-8.8	0
European Ser. 4	102.5	119.9	-3.9	0
Asian Ser. 4	265.8	248.2	-	0
Ind. Ser. 4	248.4	249.9	-0.1	0
Continental Ser. 4	228.8	231.4	-0.1	0
United Pacific	174.7	141.1	-1.1	0
United Pacific	174.7	188.2	-0.3	0
Professional Expense	138.5	145.5	-0.4	0
Position Points				
Property	1018.0	1071.8	-	-
Equity	2540.6	2691.8	-2.8	0
Equity	2540.6	2691.8	-2.8	0
Management	712.6	722.6	-3.5	0
Security	917.0	917.0	-	0
Fixed Int.	724.7	762.8	+0.8	0
Fixed Int.	724.7	762.8	+0.8	0
Amortization	867.2	867.2	+0.4	0

[illegible]

	1992	1991	% Chg
High Yield Funds	102.0	100.0	-0.9
Money Market Funds	341.9	341.6	0.0
Bond Funds	520.4	514.0	-1.3
Equity Funds	354.5	305.1	-15.6
International Stock Funds	124.1	125.5	-1.1
European Funds	124.1	125.5	-1.1
International Bonds, FI	246.2	238.0	-3.4
Per Fund Funds	429.8	426.6	-0.7
Guarantee Corp	631.3	631.3	0.0
State Street	770.0	765.5	-0.6
Managed Money Funds	216.3	216.3	0.0
Japan Funds	171.4	171.4	0.0
Global Bond Funds	181.4	181.4	0.0
US Smaller Co's	448.5	442.7	-1.3
Pension Fund Index			
Property Star A	451.1	414.9	-8.3

Exotic Star A	576.1	606.5	-3.3
Flood Jet Star A	499.6	492.8	-0.8
Impetuous Star A	203.7	218.7	+1.2
Int. Jet Star A	628.3	647.7	+3.9
Booster Star A	543.8	574.5	+7.7
Empowered Star A	465.5	508.5	+3.1
For Ever Star A	213.1	214.5	+0.2
Mean Duty Star A	260.6	274.4	-
Building Star A	333.5	300.0	-0.4
Greater Co's Star A	161.2	169.7	+2.1

هكذا من الاصل



**FT MANAGED FUNDS SERVICE**

● FT Cyteline Unit Trust Prices are available over the telephone. Call the FT Cyteline Help Desk on (444 171) 872 4338 for more details.

Company Name	Share Price	Dividend	Yield	Market Cap	Volume	Change
Anglo American	12.50	0.50	4.0%	£1.2bn	100,000	+0.10
Barclays Bank	1.20	0.05	4.2%	£1.5bn	50,000	-0.02
BHP Billiton	15.80	0.80	5.1%	£2.5bn	150,000	+0.20
British Petroleum	18.20	0.90	4.9%	£3.0bn	200,000	-0.10
British Telecom	2.10	0.10	4.8%	£1.8bn	80,000	+0.05
British Airways	3.50	0.15	4.3%	£1.0bn	60,000	-0.05
British Gas	2.80	0.12	4.3%	£1.2bn	70,000	+0.03
British Leyland	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Overseas Airways	2.50	0.10	4.0%	£0.9bn	50,000	+0.01
British Shipbuilders	1.50	0.06	4.0%	£0.7bn	30,000	-0.01
British Steel	2.20	0.09	4.1%	£0.9bn	40,000	+0.02
British Telecommunications	2.10	0.10	4.8%	£1.8bn	80,000	+0.05
British Virgin Islands	1.20	0.05	4.2%	£0.5bn	20,000	-0.01
British Waterways	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Airways	3.50	0.15	4.3%	£1.0bn	60,000	-0.05
British Gas	2.80	0.12	4.3%	£1.2bn	70,000	+0.03
British Leyland	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Overseas Airways	2.50	0.10	4.0%	£0.9bn	50,000	+0.01
British Shipbuilders	1.50	0.06	4.0%	£0.7bn	30,000	-0.01
British Steel	2.20	0.09	4.1%	£0.9bn	40,000	+0.02
British Telecommunications	2.10	0.10	4.8%	£1.8bn	80,000	+0.05
British Virgin Islands	1.20	0.05	4.2%	£0.5bn	20,000	-0.01
British Waterways	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Airways	3.50	0.15	4.3%	£1.0bn	60,000	-0.05
British Gas	2.80	0.12	4.3%	£1.2bn	70,000	+0.03
British Leyland	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Overseas Airways	2.50	0.10	4.0%	£0.9bn	50,000	+0.01
British Shipbuilders	1.50	0.06	4.0%	£0.7bn	30,000	-0.01
British Steel	2.20	0.09	4.1%	£0.9bn	40,000	+0.02
British Telecommunications	2.10	0.10	4.8%	£1.8bn	80,000	+0.05
British Virgin Islands	1.20	0.05	4.2%	£0.5bn	20,000	-0.01
British Waterways	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Airways	3.50	0.15	4.3%	£1.0bn	60,000	-0.05
British Gas	2.80	0.12	4.3%	£1.2bn	70,000	+0.03
British Leyland	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Overseas Airways	2.50	0.10	4.0%	£0.9bn	50,000	+0.01
British Shipbuilders	1.50	0.06	4.0%	£0.7bn	30,000	-0.01
British Steel	2.20	0.09	4.1%	£0.9bn	40,000	+0.02
British Telecommunications	2.10	0.10	4.8%	£1.8bn	80,000	+0.05
British Virgin Islands	1.20	0.05	4.2%	£0.5bn	20,000	-0.01
British Waterways	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Airways	3.50	0.15	4.3%	£1.0bn	60,000	-0.05
British Gas	2.80	0.12	4.3%	£1.2bn	70,000	+0.03
British Leyland	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Overseas Airways	2.50	0.10	4.0%	£0.9bn	50,000	+0.01
British Shipbuilders	1.50	0.06	4.0%	£0.7bn	30,000	-0.01
British Steel	2.20	0.09	4.1%	£0.9bn	40,000	+0.02
British Telecommunications	2.10	0.10	4.8%	£1.8bn	80,000	+0.05
British Virgin Islands	1.20	0.05	4.2%	£0.5bn	20,000	-0.01
British Waterways	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Airways	3.50	0.15	4.3%	£1.0bn	60,000	-0.05
British Gas	2.80	0.12	4.3%	£1.2bn	70,000	+0.03
British Leyland	1.80	0.08	4.4%	£0.8bn	40,000	-0.02
British Overseas Airways	2.50	0.10	4.0%	£0.9bn	50,000	+0.01
British Shipbuilders	1.50	0.06	4.0%	£0.7bn	30,000	-0.01
British Steel	2.20	0.09	4.1%	£0.9bn	40,000	+0.02
British Telecommunications	2.10	0.10	4.8%	£1.8bn	80,000	+0.05
British Virgin Islands	1.20	0.05				







**FT MANAGED FUNDS SERVICE**

## Offshore Funds and Insurances

● FT Chytaine Unit Treat Prices are available over the telephone. Call the FT Chytaine Moto Desk on 1-444-3711-825-4578 for more details.

[illegible]



[illegible][illegible]

هكذا من الامم











## Croatian Finance and Investment

For further information, please contact:

**Zeljko Paul Mandic**  
Tel: +44 1344 886035 Fax: +44 1344 884981  
or Jenny Middleton in London  
Tel: +44 171 873 3794 Fax: +44 171 873 3204  
email: [jenny.middleton@FF.com](mailto:jenny.middleton@FF.com)

or Annette Pirkovic in Frankfurt  
Tel: +49 69 156 85 163 Fax: +49 69 597 944 93  
email: [annette.pirkovic@FF.com](mailto:annette.pirkovic@FF.com)

**No FT, no comment**

**TRADED INDEX SECURITIES**

— 851280 E47700 — —  
**AIM**

The Alternative Investment Market, designed primarily for small companies, is regulated by the London Stock Exchange but has less demanding rules than the SE Official list.

## GUIDE TO LONDON SHARE SERVICE

[illegible][illegible]

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1495 a year for each security shown, subject to the Editor's discretion.

**♣ FT Free Annual Reports Club**  
You can obtain the current annual/interim report of any companies annotated with the ♣. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports may also be ordered via the internet at <http://www.isbnc.com>. All reports will be sent the next working day, subject to availability.

**FT Cityline**  
Up-to-the-second share prices are available by telephone from the FT Cityline service. See *Moneyline's* share price pages for details.  
Calls are charged at 50p per minute at all times.  
An international service is available for callers outside the UK, annual subscription £250 p.a. Please consult your financial adviser and verify financial pricing information obtained via FT Cityline before making any investment decision.  
All access to and use of FT Cityline is subject to FT Cityline terms and conditions which may be made known on request.  
Call 0171 875 4076 for more information on FT Cityline.  
For Retail Price Index details call 0891 43 8493

**The FT web site**  
London share prices are available throughout the trading day with a 20 minute delay from our web site: <http://www.ft.com>, which also has the closing share prices printed on these pages.







## WORLD STOCK MARKETS

## Dow creeps closer toward 9,000 level

## AMERICAS

Wall Street overcame a mixed morning with the Dow Jones Industrial Average edging up close to the 9,000 level by early afternoon, writes John Labate in New York.

Equities moved higher in spite of the dull trend of US Treasuries, which moved lower following three auctions and renewed speculation about the willingness of the Federal Reserve to lower interest rates at its upcoming meeting.

By early afternoon the benchmark long bond was down 1 1/2 to 97 1/2, sending the yield higher to 5.411 per cent.

Technology and small-cap shares again supported the broader market. By early afternoon, the Dow had gained 38.52 or 0.4 per cent to 8,954.09 while the Standard & Poor's 500 index was 3.3 higher to 1,137.11.

Ralph Acampora, the technical analyst for Prudential Securities who called a bear market in August, said the market had seen its low in October and would re-test its old highs.

The Nasdaq composite index, which is weighted in high-tech shares, rose 8.54 to 2,454.64. The Russell 2000 index of small-company shares gained 3.03 or 0.76 per cent to 389.20.

Among the sharpest risers in Dow stocks, Allied Signal was 1 1/2 higher to \$42 1/2, while Citigroup gained \$1 1/2 to \$46. But some cyclical company stocks were sold off after a strong run earlier in the week. Caterpillar fell \$1 1/2 to \$48 1/2.

Barnes & Noble, the book retailer, shot up more than 10 per cent to \$34 after it said it would acquire the largest book distributor in the US. Shares in online rival Amazon.com fell \$3 to \$125 1/2.

Other retailers were mixed, with Wal-Mart up \$1 1/2 to \$71 1/2. Shares in Geron, the biotech company, jumped 3/4 to \$19 on news it had backed a breakthrough in the growth of human cells.

TORONTO was little changed in early trading with shares showing no initial inclination to move out of a narrow trading range. The 300 composite index was off 3.12 at 6,409.90 at noon.

Banks were dull with Royal Bank off 55 cents to C\$70.05 and Toronto Dominion down 35 cents to C\$45.45. Golds were equally dull. Barrick dipped 85 cents to C\$34.20 and Placer Dome off C\$41.20 at C\$35.55.

In Industrials, Alcan Aluminum came off 45 cents to C\$41.70 and Seagram tumbled 2.65 to C\$35.90.

SAO PAULO continued to push higher in early trading, adding 197 or 2.1 per cent to 8,259 on the benchmark Bovespa index at mid-session to enhance the strong gains notched up over the past four sessions.

Telebras receipts gained 1.9 per cent to R\$105.30, while Petrobras gained 1.1 per cent to R\$153.

MEXICO CITY reversed early gains to lose 5.18 at 4,255.30 at mid-session. A Merrill Lynch upgrade for a number of leading banks put life into the sector. Bancaero rose 1.75 pesos to 13.55 pesos.

SANTIAGO pushed higher, with the IPSA index up 1.64 or 2.1 per cent at 79.80 at mid-session.

Financials gave away 35 or 0.4 per cent due to profit-taking, ending at 9,816.8 while gold was up 5.7 or 0.6 per cent at \$348.4.

Industrials climbed 13.4 or 0.3 per cent to 6,843.9.

Sweden's small cuts in defence spending

## Milan banks climb before merger meeting

## EUROPE

Another strong session for banks enabled MILAN to close the week with a slight rally, although the rest of the market was largely unmoved. The real-time Mibtel index finished 158 higher at 20,700.

BCI put on L350 to L11,517 and Banca di Roma gained L117 to L3,099 as merger talks heated up before BCI's board meeting on Monday.

Reports of behind-the-scenes talks between key shareholders in the two banks sent the shares soaring.

Shares in IFIL rose L351 to L6,149 as the Agnelli family holding company was reported to have met key Banca di Roma shareholder Deutsche Bank. The family owns stakes in both Banca di Roma and San Paolo IMI, the rival for a BCI alliance.

Mediobanca shot up L638 to L11,149 on reports the Berlusconi company could sign a letter of intent with Germany's Kirch group on an American television project.

AMSTERDAM rose 12.47 or 1.2 per cent to 1,057.31 on the AEX index thanks mostly to a surge of more than 7 per cent for Aegon, the financial giant.

An isolated firm feature in financials, Aegon jumped F118.10 to F119.80 on news the stock was to be included in the Morgan Stanley Capital Index from this month.

Unilever added F17.30 to F142.30 after better-than-expected third-quarter earnings. KLM, hit by disappointing results from Norwegian partner Braathens plus weak load factors for October,

tumbled F13.90 or 6.8 per cent to F133.30.

PARIS ended little changed with the CAC-40 index off 7.55 at 3,588.63 in thinish volume, but well below the best of the day of 3,663.23.

Thomson-CSF lost ground after the recent run-up on defence consolidation, dipping FFR11 or 5.3 per cent to FFR200 and Legardère shed FFR3 at FFR235.

In contrast, Sanofi continued to ride high on the back of an upgrade at Morgan Stanley Dean Witter. The shares gained FFR59 at FFR980 for a two-day advance of more than 10 per cent.

FRANKFURT found early reassurance in Wall Street's overnight strength and the firmer dollar, but an uncertain start in US trading pulled the Xetra Dax index back to close 14.45 better on the day at 4,809.73.

Bank stocks were back in business, although their advances tended to be exaggerated by thin trade.

Hypovereinsbank jumped DM6.15 to DM130.15 on the resolution of an internal rift that had threatened a split between former Vereinsbank and Hypo-Bank staff.

Commerzbank rose DM2.40 to DM53.50 and Dresdner Bank was flat at DM66. Deutsche Bank was 80 pfg firmer at DM106 as Goldman Sachs defended rumours it had upgraded the stock, saying its rating remained "outperformer".

Car stocks were mixed, although analysts said some of the recent market pessimism seemed overdone.

Daimler-Benz put on DM1 to DM138, VW picked up 30 pfg to DM130, but BMW eased DM14.90 to DM11,850.

Preference shares in Fresenius put on DM10 to DM310 as the dialysis and pharmaceutical company, and its Medical Care business, posted nine-month results. Fresenius said later it expected double-figure sales growth for 1998 with an increase in profit significantly above that of sales.

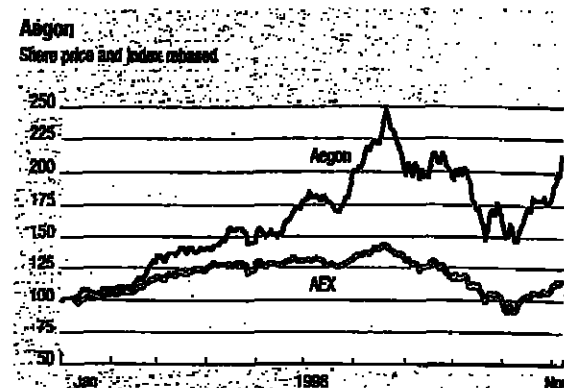
ZURICH put on 1.5 per cent as short-covering transactions lifted the market. The SMI index finished 96.0 higher at 8,553.5.

Pharmaceuticals found favour, with Novartis up SFR45 to SFR2,190 in heavy trade, while Roche certificates added SFR160 to SFR15,900.

Insurers bounced back after Thursday's losses. Balise rose SFR52 to SFR1,102 and Swiss Life climbed SFR27 to SFR881.

MADRID ended 8.47 higher at 809.03 on the general index with another rise for Endesa helping sentiment.

Endesa, a leading utility, which announced a restructuring plan, rose Ptas3 to Ptas35 for a two-day gain of almost 2 per cent.



Source: Intercontinental

the AEX index thanks mostly to a surge of more than 7 per cent for Aegon, the financial giant.

An isolated firm feature in financials, Aegon jumped F118.10 to F119.80 on news the stock was to be included in the Morgan Stanley Capital Index from this month.

Unilever added F17.30 to F142.30 after better-than-expected third-quarter earnings. KLM, hit by disappointing results from Norwegian partner Braathens plus weak load factors for October,

tumbled F13.90 or 6.8 per cent to F133.30.

PARIS ended little changed with the CAC-40 index off 7.55 at 3,588.63 in thinish volume, but well below the best of the day of 3,663.23.

Thomson-CSF lost ground after the recent run-up on defence consolidation, dipping FFR11 or 5.3 per cent to FFR200 and Legardère shed FFR3 at FFR235.

In contrast, Sanofi continued to ride high on the back of an upgrade at Morgan Stanley Dean Witter. The shares gained FFR59 at FFR980 for a two-day advance of more than 10 per cent.

FRANKFURT found early reassurance in Wall Street's overnight strength and the firmer dollar, but an uncertain start in US trading pulled the Xetra Dax index back to close 14.45 better on the day at 4,809.73.

Bank stocks were back in business, although their advances tended to be exaggerated by thin trade.

Hypovereinsbank jumped DM6.15 to DM130.15 on the resolution of an internal rift that had threatened a split between former Vereinsbank and Hypo-Bank staff.

Commerzbank rose DM2.40 to DM53.50 and Dresdner Bank was flat at DM66. Deutsche Bank was 80 pfg firmer at DM106 as Goldman Sachs defended rumours it had upgraded the stock, saying its rating remained "outperformer".

Car stocks were mixed, although analysts said some of the recent market pessimism seemed overdone.

Daimler-Benz put on DM1 to DM138, VW picked up 30 pfg to DM130, but BMW eased DM14.90 to DM11,850.

Preference shares in Fresenius put on DM10 to DM310 as the dialysis and pharmaceutical company, and its Medical Care business, posted nine-month results. Fresenius said later it expected double-figure sales growth for 1998 with an increase in profit significantly above that of sales.

ZURICH put on 1.5 per cent as short-covering transactions lifted the market. The SMI index finished 96.0 higher at 8,553.5.

Pharmaceuticals found favour, with Novartis up SFR45 to SFR2,190 in heavy trade, while Roche certificates added SFR160 to SFR15,900.

Insurers bounced back after Thursday's losses. Balise rose SFR52 to SFR1,102 and Swiss Life climbed SFR27 to SFR881.

MADRID ended 8.47 higher at 809.03 on the general index with another rise for Endesa helping sentiment.

Endesa, a leading utility, which announced a restructuring plan, rose Ptas3 to Ptas35 for a two-day gain of almost 2 per cent.

Written and edited by Michael Morgan, Jeffrey Brown, Caroline von Loewenich and Paul Grogan.

November 6  
Market & Segment  
FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

Written and edited by Michael Morgan, Jeffrey Brown, Caroline von Loewenich and Paul Grogan.

November 6  
Market & Segment  
FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

Written and edited by Michael Morgan, Jeffrey Brown, Caroline von Loewenich and Paul Grogan.

November 6  
Market & Segment  
FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

Written and edited by Michael Morgan, Jeffrey Brown, Caroline von Loewenich and Paul Grogan.

November 6  
Market & Segment  
FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

FTSE 100  
FTSE 100  
FTSE 100  
FTSE 100

## Fears mount for Tokyo economy

## ASIA PACIFIC

Growing worries over the state of the economy triggered widespread selling in TOKYO, writes Michiko Nakamoto.

The Nikkei 225 average was battered by selling on concerns that the government would set up an investment trust joint venture with Dai-ichi Kangyo Bank. The news had earlier sent Fuji Bank's shares higher.

Real estate issues also suffered, with Mitsui Fudosan, a leading property developer, declining Y76 to Y809 on news that it had seen steep declines in profits and sales in the first half.



## COMPANIES &amp; FINANCE

## High-voltage contest for capital current

Andrew Taylor previews a likely Anglo-French bid battle for London Electricity, the US-owned supplier

Barring last-minute upsets, British Energy and Electricité de France will be favourites to buy London Electricity when bidding for the capital's power supplier closes on Monday.

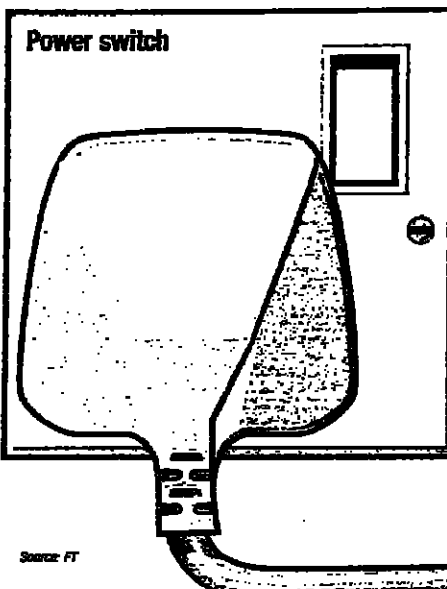
The two rivals have the deepest pockets of the six groups thought to have qualified to bid for the electricity company, which supplies 2m customers and is expected to fetch about £2bn.

Other contenders include RWE, the German multi-utility, which is concerned over the likely high cost of London Electricity; Singapore Power, which has been struggling to find a partner to support an offer; and National Power, the UK's largest fossil-fuel generator, which wants only London's supply business.

A sixth group led by John Devaney, former chief executive of Energy Group, and backed by Goldman Sachs is thought to have pulled out of the bidding.

London Electricity is the largest of a series of proposed disposals, expected to raise £4bn (£2.3bn), by Entergy Group of the US which bought London in 1996 for £1.3bn. It will use \$3bn of the proceeds to reduce large borrowings. Also up for sale is CitiPower, its electricity distributor in Victoria, Australia.

The strong demand for electricity assets in the UK, one of the world's most



Source: FT

liberalised power markets, is reflected in a string of electricity company takeovers totalling £18bn, many of them by US groups, since 1995.

Despite the prospect of tougher price regulation demand from would-be new entrants, particularly from continental Europe, remains strong. From February 19 most EU countries will be required to open at least 25 per cent of their power market to other suppliers.

François Roussely, chairman of Electricité de France, the state-owned French

monopoly, wants to double the value of his group's overseas investments to £700bn (£2.22bn), focusing on Europe. EDF, with annual turnover of more than \$90bn, has great financial strength.

The world's largest electricity supplier, it exports 17 per cent of its domestic production to other European countries. But a bid for the UK group could excite the interest of competition authorities in Brussels and London.

Peter Mandelson, UK trade and industry secretary, recently expressed concern that the power intercon-

tor between the UK and France had become a one-way ticket for EDF to export cut-price power at the expense of coal-fired generation in the UK. A concession by EDF on the interconnector would well open the way for a deal on London Electricity.

Government plans to introduce more competitive electricity trading arrangements - in line with other commodity markets - have encouraged generators like British Energy, the UK's biggest nuclear generator, to protect their power trading

activities by creating an integrated business. In this case it is seeking to add London's electricity supply customers to its existing generation.

The UK government this year permitted a £1.9bn bid by PowerGen, the country's second largest fossil-fuel generator, for East Midlands, the third largest electricity supplier - provided PowerGen sold 2000MW of under-used coal-fired capacity.

Whatever the outcome there is likely to be more high-voltage takeover activity in the UK power sector.

## Takeovers and mergers

Company	Owner	£bn	Year of bid
East Midlands Electricity	Powergen	1.90	1998
The Energy Group	Texas Utilities	4.48	98
Yorkshire Electricity	American Electric Power/Public Service Company of Colorado	1.50	97
London Electricity*	Entergy	1.27	97
Midlands Electricity	GPU/Cheney	1.73	98
Seaboard	Central & South West	1.80	98
Northern Electric	CalEnergy	0.85	98
Norweb	North West Water	1.23	95
Merwib	Scottish Power	1.10	95
Sveb	Southern Co	1.10	95
Sveles	Hydr	0.87	95
Merger			
Scottish-Hydro Electric	Southern Electric	5.8*	merger announced in 1998

\* for sale as part of Entergy disposal programme  
\* combined market capitalisation

## Carlton looks at PolyGram library

By Alice Rawsthorn

Carlton Communications, the media group headed by Michael Green, is sending a team of executives to the US to discuss acquiring part of PolyGram's film and television subsidiary.

Mr Green is understood to be interested in the library of films and television series, including *Thunderbirds* and *The Prisoner*, which PolyGram bought from Lord Grade's ITV Group. He may also bid for some of PolyGram's production interests, notably Working Title, the successful London-based production company which has backed hits such as *Fargo*, *Four Weddings And A Funeral*, *Bean* and *Elizabeth*.

Carlton faces stiff competition for the production business from Canal Plus, the French media concern, and Universal Studios, the Hollywood-based subsidiary of Seagram, the Canadian entertainment company, which has bid \$15m (\$5.5m) for PolyGram.

Carlton made an offer for the PolyGram Film Entertainment Division in September when it was auctioned by Seagram. Mr Green bid low because, although he was keen to acquire PFE's library, he was less interested in the production companies and film distribution network.

When Carlton's offer, and the other bids, fell beneath Seagram's price expectations, it cancelled the auction. Seagram has since sold the bulk of PFE's film library to Kirk Kerkorian, the US corporate raider, do

Canal Plus this week held discussions with Seagram about the possibility of buying PFE's non-US film distribution network and some of its production interests, including Working Title.

## NEWS DIGEST

## PLANT MACHINERY

## Powerscreen names new chief executive

Brian Kearney, a management consultant, has been appointed chief executive of Powerscreen International, the loss-making heavy plant machinery maker he joined in April following problems caused by accounting irregularities at its Mattrio subsidiary.

The shares rose 8 1/2p to 118 1/2p yesterday, compared with 55 1/2p before the difficulties emerged. Mr Kearney, 51, joined the Northern Ireland company as acting financial director after it revealed in January that Mattrio, a special probe, still ongoing, by the Serious Fraud Office, as well as an investigation by auditors KPMG, and caused Powerscreen to incur losses of £47.6m in the year to March 31. Mattrio ran up losses trying to get into new markets, some of which were unprofitable, then recorded some double-booked sales and other irregularities.

Since the provision was revealed the company has been selling off non-core businesses to refocus and raise funds. This year it has sold US Truck Crane for £45m, as well as the Universal Conveyor Company, Geth International and SDC Trailers.

Mr Kearney was keen to crush recent speculation that the company was ripe for a takeover which would take it into private hands. "We haven't put in all this work in the last six to nine months to put the company on a sound financial basis for someone else to come in," Lucy Smy

## PROPERTY

## CLS plans share buy-back

CLS, the commercial property concern, is planning to buy back 10 per cent of its shares for about £12.7m. The company, meanwhile, intends to make a tender offer for another 2.5 per cent of its share capital, as a tax efficient substitute for part of a dividend payment. An extraordinary meeting will be held on December 1, at which shareholders will consider whether to approve the tender offer by the Takeover Panel of a rule requiring the directors, who currently hold 48 per cent of the shares, to make an offer for the rest if the buy-back lifts their stake above 50 per cent. The shares rose 6 1/2p to 113p. Jonathan Guthrie

## TELECOMMUNICATIONS

## Fibernet considers alliance

Shares in Fibernet jumped 68p to 376 1/2p yesterday, as the computer network connection group confirmed it was considering an alliance with a larger telecommunications group that could lead to it being taken over.

Fibernet said it was reviewing various strategic options and had appointed Singer & Friedlander, the investment bank, to assist it. However, Fibernet said that at the moment it was not in talks with any other companies. Fibernet, which has a national fibre optic network, signed a three-year deal this week with GX Networks, the business connections part of Internet Technology, which is the largest independent internet service provider. Lucy Smy

## LIFE ASSURANCE

## Contenders emerge for NPI

Swiss Life and Australia's AMP have emerged as two of the leading contenders to buy NPI, the UK life insurer that put itself up for sale last month. The deadline for initial bids was yesterday, and a short-list is expected to be drawn up over the next 10 days. Other contenders are understood to include Norwich Union and GE Capital. Analysts have valued NPI at between £1bn and £2bn. The aim is to name the preferred buyer by the end of the year. NPI said: "We have a broad range of buyers out there and a lot of innovative thinking about the deals could be structured." Christopher Brown-Humes

## COATING SYSTEMS

## Metrotec shares fall on warning

Shares in Metrotec Industries, the maker and supplier of anti-corrosion coating systems, tumbled 7p to 19 1/2p after the company warned that pre-tax profits for the current year would be "substantially below current market expectations". The company blamed a decline in its principal international markets and the strength of sterling. The directors, however, expect to maintain the dividend for the year. In the year to March 31 1998, the company recorded a pre-tax profit of £1.37m on turnover of £16.2m.

## RETAILERS

## GUS ponders legal action

Great Universal Stores, the retail group, is expected to decide within the next fortnight whether to take legal action against the former directors of Argos, the catalogue retailer it bought for £1.9bn in April after a hostile bid. GUS is also expected to appeal to the Takeover Panel concerning the watchdog's decision to throw out its complaints about the Argos directors. The panel is unlikely to grant an appeal because it usually only allows companies one month to appeal.

GUS, which has queried claims made by Argos during the bid, spoke to the panel more than three months ago. An adviser to the former directors said: "If they [GUS] choose to take legal action it will be vigorously defended and we are absolutely confident that the statements complied with the Takeover Code." Charles Pretzlik

## CHEMICALS

## Laporte offshoot for sale

Laporte has put its hygiene chemicals business up for sale and is understood to have short-listed four potential bidders. The business, which has annual sales of about £30m, makes cleaning and disinfecting chemicals for the food and catering industries. Laporte, which this year took over smaller rival Inspec in a £611m recommended cash bid, has appointed Lazard Brothers to handle the sale which it hopes to conclude this year. The business, part of Laporte's formulated chemicals division, is expected to fetch £30m-£40m or about one times sales.

## ETBA Finance

ECONOMIC & FINANCIAL SERVICES S.A. (formerly GREEK EXPORTS S.A.)

## CORRECTION TO, AND REPETITION OF THE ANNOUNCEMENT OF A SECOND INTERNATIONAL PUBLIC AUCTION FOR THE SALE OF THE FLOATING DRYDOCK D/D "AVULIS"

In the Announcement of a Second International Public Auction for the sale of the floating dock D/D "Avulis" published on 5<sup>th</sup> and 6<sup>th</sup> November 1998 it was incorrectly stated that offers should be submitted by 11:00 hrs. on Friday and that they would be unrelated on the same day at 13:00 hrs. Instead of the correct statement that the offers should be submitted on the same day at 14:00 hours and would be unrelated immediately after this submission deadline before the notary and interested parties. Further to the above, the announcement is repeated as follows:

ETBA FINANCE ECONOMIC & FINANCIAL SERVICES S.A. established in Athens (1 Entostheou Str.), and legally represented in its capacity as special liquidator of NEORION SHIPYARDS OF SYROS S.A., which owns the floating drydock D/D "AVULIS", in accordance with Decision No. 539/1992 of the Plenary Court of Appeal and the provisions of article 7 of Law 2528/1997 and article 46a of Law 1892/1990 as supplemented by article 14 of Law 2000/1991 as in force today and following the letters from the creditors ETBA SA and KINIAN BANK SA dated 29/10/98 and 29/11/98 respectively.

ANNOUNCEMENT

a second international public auction with sealed, binding offers for the sale of the floating drydock D/D "AVULIS".

Summary data on the floating drydock for sale

The floating drydock D/D "AVULIS" has been accepted from the assets of the company under liquidation named "NEORION SHIPYARDS OF SYROS S.A." by special legislative provision (article 23 of Law 2199/1994) and was therefore not sold together with the other assets of the company. Now, by virtue of article 7 of Law 2528/1997, the liquidator has been allowed to hold an international public auction for the sale of the above floating drydock.

The D/D "AVULIS" is now at the HALIOS Shipyard and listed as number 01 in the HALIOS Harbourmaster's Register of Floating Drydocks. Its main specifications are:

• Lifting capacity 15,000 tons  
• Built in 1978  
• Length overall (LOA) 195.0 metres  
• Length along central keel blocks 180.0 metres  
• Width overall (WOA) 41.5 metres  
• Width inside 33.5 metres

• Height above the floor 14.8 metres  
• Depth below measurement deck 3.7 metres  
• Maximum draught 8.5 metres  
• Construction Steel  
• Built in Germany  
• C/I

Terms of the Announcement

1. The auction will be conducted in accordance with the provisions of article 46a of Law 1892/1990 as supplemented by article 14 of Law 2000/1991 and its amendments, the terms contained in the present announcement and the terms contained in the relative Offering Memorandum, regardless of whether or not they are repeated in the present.

2. For a fuller awareness of the floating drydock for sale, interested parties are invited to receive, on signature of a confidentiality agreement, the Offering Memorandum and the specimen Letter of Guarantee in order to submit a sealed, binding offer to the Etampoulis, Syros notary public assigned to the auction, Mr. Dimitrios A. 7 Odos Mitsopoli Antikurioi P.O. Box 41 (20281) 87201 at 14:00 hours on Friday, 4<sup>th</sup> December 1998. The submission of offers should be made in person or by a legally authorised representative. Offers submitted beyond the time limit will not be accepted or taken into consideration. Offers must not contain terms upon which their bidders wish to depend or which create vagueness with regard to the amount or the method of payment of the offered price or with regard to any other essential points. The liquidator and the creditors maintain the right, at their incontestable discretion, to reject offers which contain terms and conditions, or consider them to be non-compliant, in which case the offer remains binding with regard to the rest of its content.

3. Due to the fact that the floating drydock D/D "AVULIS" is an indispensable and determinant element for the operation of the HALIOS Shipyard, it is hereby clearly stated that a precondition for participation in the auction for the sale of the "AVULIS" participation also in the parallel auction for the sale of the HALIOS Shipyard, on penalty of invalidation of the offer. Both offers will be taken into account in determining the highest bidder in the above auctions. The signature of the sale contract of D/D "AVULIS" is correlated with the signature of the sale contract of HALIOS Shipyard. In the event that, for any reason, the auction for the sale of HALIOS Shipyard is declared null and void, then the auction for the sale of D/D "AVULIS" will be also nullified.

4. Offers must be accompanied, on penalty of cancellation of the offer, by a letter of guarantee from a bank legally operating in Greece, to the amount of one hundred million drachmas (€10,000,000) valid until its return to the liquidator bank and guaranteeing both the submission of the offer and the payment of the purchase price.

5. The offers will be unrelated before the notary in his office immediately after the deadline for the submission of binding offers. Interested parties who have submitted binding offers within the time limit are entitled to attend the opening of the bids.

6. The sealed, binding offers must specify the offered amount and method of payment (cash or on credit, the number of instalments and when they are to be paid and the rate of interest during the entire period of payment, if no mention is made of a) the method of payment, b) whether the portion on credit will bear interest or not and c) how the interest is to be calculated and at what rate, then it will be considered correspondingly that a) payment will be made in cash, b) the amount on credit will be paid interest-free and c) the interest on any unpaid portion on credit will be calculated at the rate of the last issue of one-year government bonds plus one percentage unit. Part-payment on credit will be accepted on payment of at least 25% of the total offered price in cash on signature of the relative sale contract and payment of the remaining portion by instalment within five (5) years at the latest from the date of signature of the sale contract. The entire amount on credit must be covered by a letter of guarantee from a bank legally operating in Greece.

7. The floating drydock D/D "AVULIS" shall be sold "as is and where it is", and, more specifically, in its actual and legal condition and at the place where it is situated on the day of signature of the sale contract. The liquidator, the company under liquidation and the creditors are not responsible for legal or actual defects or deficiencies of any kind of the floating drydock on sale or for any incomplete or inaccurate description of it in the Offering Memorandum, interested parties, should, with their own means and diligence and at their own expense, look into and form their own assessment of the floating drydock for sale. The submission of an offer implies that the interested party is fully aware of the legal and actual state of the above floating drydock.

8. In the event that part payment is on credit, the present value will be taken into account in evaluating the offer, which will be calculated on the basis of the interest rate in force, at the time of submission of the offer, for Greek Government bonds of one year's duration. If offers are made in foreign currency, their value in drachmas shall be calculated at the bank selling price on the last day of the deadline for the submission of binding offers in the present auction.

9. The highest bidder will be deemed to be the person whose offer has been submitted by the liquidator, company and the creditors in order to cover all expenses of any kind, time spent and real or paper losses sustained, with no obligation to provide proof of such, and consider the amount as a penalty clause and collect it from the guarantee bank.

10. The liquidator bears no responsibility towards participants in the auction, both with regard to the report assessing the offers or to his proposal of the highest bidder, or for his decision to repeat or nullify the auction and for any other decision relative to the procedure and conduct of the auction.

11. Three parties taking part in the auction and submitting offers do not acquire any right, claim or demand from the present Announcement and from their participation in the auction, against the liquidator or the creditors for any cause or reason.

12. According to para. 13 of article 46a of Law 1892/1990; para. 7 of article 23 of Law 2199/1994 as well as para. 1 & 2 of article 9 of Law 2244/1994, the sale contract and the necessary transfers arising from it and any other relative transaction are exempted from taxes, duties or other payments, as well as from the payment of interest, penalties, fines, etc. However, the liquidator and the creditors are not responsible for legal or actual defects or deficiencies of any kind of the floating drydock on sale or for any incomplete or inaccurate description of it in the Offering Memorandum, interested parties, should, with their own means and diligence and at their own expense, look into and form their own assessment of the floating drydock for sale. The submission of an offer implies that the interested party is fully aware of the legal and actual state of the above floating drydock.

The present will be drawn in Greek and translated into English. However, in the event of differences occurring in translation, the Greek text will prevail.

In order to obtain the Offering Memorandum and for any additional information, please apply to the office of the liquidator at 1 Entostheou Str., Vess. Constantinos Str., Athens, Tel. (210) 7260210, 7260208, 7260205 and Fax (210) 7260204.

## Unilever surprises with third-quarter leap

By John Williams

Unilever, the Anglo-Dutch consumer group, yesterday reported third-quarter results ahead of expectations, despite the economic turmoil in south-east Asia, Russia and parts of Latin America.

Profits were up in every region apart from Latin America, where an \$3m (\$13m) restructuring charge in Mexico contributed to a fall of \$9m. The economic uncertainties had had no significant impact on the business in Europe and North America, Unilever said.

Margins rose particularly sharply in Europe from 14.7 to 16 per cent, despite a fall in turnover caused by the bad summer weather which reduced ice-cream sales in northern Europe by about £10m.

The shares rose 19p in London to 609p, and £13.20

to £142.20 in Amsterdam.

"Most places you look there is good news," said David Lang, analyst at Henderson Crosthwaite, the broker. "The cost reduction programme and pruning of low-performing units means Unilever is paying off in spades."

Pre-tax profit for the quarter was £1.14bn, against last year's £831m (at 1997 exchange rates). This included a profit of £260m on the sale of Plant Breeding International in Cambridge to Monsanto. The underlying increase after removing all exceptional items was 3 per cent.

Turnover was £7.42bn (£7.35bn), held back by a 6 per cent fall in Europe, largely attributed to falling ice-cream sales. Unilever raised its share of the European detergent market with its soap tablets, now on sale in 13 countries.

The group's marketing

budget rose £50m in the quarter, lifting sales of new products such as soap tablets and Thermosilk, a US haircare product. Sales in North America rose 3 per cent after allowing for disposals, though higher marketing costs depressed margins in the region.

Even in Asia-Pacific profit and margin rose, helped by Unilever's strength in India, which has been largely unaffected by the turmoil further east. Sales fell in Thailand, however, and there were no signs of recovery in Indonesia, where higher prices to offset increased costs sharply reduced volumes. In the first nine months of 1998, profit from the Asian countries which have suffered significant devaluations fell by about £22m.

"The company is performing well in difficult times," said Tim Potter, of Merrill Lynch.

## Greenalls loses pubs bidders

By Charles Pretzlik

Greenalls' attempt to sell its franchised and tenanted pubs for £400m (£676m) was in disarray last night after it emerged that two leading bidders had withdrawn from the auction.

Charterhouse Development Capital, the venture capital business that is part of the Charterhouse investment bank, and Punch Taverns, the private company that bought 1,455 pubs from Bass last year, are understood to have valued the chain at about £330m.

Nigel Popham, an analyst at Teather and Greenwood, has estimated the value of the pubs at £300m.

The loss of interest is a setback for Greenalls, which has conducted a review of its businesses. The company has come under pressure from Omega, a US hedge fund which built up a 2 per cent stake on hopes of a break-up.

At least two other parties looked seriously at the Greenalls estate. They are believed to be a division of NatWest and Nomura, the Japanese bank which has created the Grand Pub Company of 4,100 mainly tenanted pubs.

## Cookson warns of ceramics fall

By Andrew Edgecliffe-Johnson

Cookson provided further evidence yesterday of the vulnerability of analysts' profit forecasts. After the industrial materials group published a more gloomy than expected trading statement, its share price tumbled by almost 10 per cent.

The group said profits for the first nine months were unchanged at constant exchange rates compared with the same period last year. That implied profits had fallen sharply in the third quarter because there was an 8 per cent improvement in the first six months.

Analysts cut 1998 pre-tax profit forecasts from about £170m to £145m, and predicted profits of £135m-£145m for 1999. In 1997, pre-exceptional profits were £178m. The share price fell 13p to

120p, leaving Cookson on a p/e of 7.8, which is lower than its gross dividend yield.

The company had warned in July about pricing pressure in its electronics division. Yesterday it added that the ceramics division, which makes refractory products for the steel industry, was suffering from a sudden fall in world steel production, particularly in the US.

Vesuvius, its market leading ceramics division, had seen its growth "decelerate markedly" since August from the 15 per cent rate reported at the half year. Stephen Howard, chief executive, said, "US steel producers are in the eye of the hurricane now."

He said imports of cheap steel from Asia had hit US steel volumes by 15-20 per cent on average, and up to 40 per cent in some areas.

## RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends Corresponding dividend	Total for year	Total for year
Unilever	7,420 (7,350)	1,140 (831)	2.61 (2.17)	2.95 (2.45)	Jan 20	4	8	8.42
Investment Trusts								
Lazard	372.5 (322.94)	2.97 (2.77)	12.55 (11.88)	7.1	Dec 22	7.3	12	11.6
Manney Enterprise	114.4 (151.8)	0.88 (0.706)	3.8 (2.9)	2.5		2.1	3.1	5.1

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. \*After exceptional credit.



TELEPHONY ANALYSTS SAY RESULT BODES ILL IN YEAR BEFORE COMPETITION IS OPENED UP

# HK Telecom disappoints with flat growth

By Louise Lucas in Hong Kong

Hongkong Telecom, the territory's dominant carrier, disappointed the market yesterday with flat growth and an unchanged dividend.

The company, which is majority-owned by Cable & Wireless of the UK, reported a 1.4 per cent rise in net profits to HK\$1.1bn (US\$148m) for the six months to September 30. Some HK\$68m of this came from interest and other

income, namely interest from its HK\$15bn cash pile.

Analysts said the company's inability to show significant growth in the year before the doors were opened to full competition did not bode well for the future. Mobile phones, a traditional earnings engine, appeared to run out of steam, with the loss of an estimated 36,000 subscribers. Hongkong Telecom said that while price competition in the sector had intensified,

it remained market leader with 830,000 subscribers.

This represents a market share of about 41 per cent. Mobile revenues rose 28.4 per cent, largely due to the inclusion of Pacific Link, which it acquired last year. The company attributed the deceleration in profit growth to the recessionary environment, which has prompted many phone-intensive businesses such as financial services to retrench. "The recession is

likely to be protracted and the competition is becoming

more and more vicious," Linus Cheung, chief executive, said. International telephone revenues fell 16.3 per cent to HK\$7.48bn as traffic volumes fell 7.4 per cent. China traffic, the busiest route, put in modest growth of 1.7 per cent compared with 10 per cent last year. David Gibbons, regional telecommunications analyst at HSBC Securities, said he would downgrade his

full-year estimates of a 4 to 5 per cent rise.

"They are going to do well to deliver flat growth," he said, adding the decision not to lift the 38.6 HK cent dividend - especially given the HK\$15bn cash pile - looked bad.

"In terms of signalling to the marketplace, it must have been an option to put a token increase on the dividend at the interim stage, even though this is the worst recession in Hong

Kong for a long time," he said.

Hongkong Telecom appears to be in no hurry to spend its cash pile, some HK\$7.7bn of which it won in compensation for the early termination of its IDD monopoly. Its China ambitions remain on hold, as the mainland market remains barred to foreign operators; instead, the group is likely to focus on opportunities in internet and other interactive services.

## Leading CLSE analyst resigns

By Clay Harris, Banking Correspondent

The UK's top-rated quantitative analyst has resigned from Crédit Lyonnais Securities Europe because of his concern about recent management changes, staff losses and arguments over strategy at the French-owned broker.

Savvas Savouri is moving to Commerzbank Global Equities, along with Jayne Askham and Takis Christodoulou, two other members of the team that was ranked first in quantitative analysis and techniques in the 1998 Exel survey of investment analysts.

Mr Savouri masterminded the creation of Margin Call, a method of collecting economic data from the UK Office of National Statistics and other sources and analysing it to produce recommended trades in sectors and individual shares.

He is known to have been concerned about staff departures from CLSE's UK equities business, and last week's reshuffle which removed Michael Kerr-Dineen as head of equities after a dispute over the pace of introducing a pan-Euro-

pean strategy. Chantal Lamchon, head of capital markets, said this week the bank had not changed course, but stressed the pan-European avenue would be "combined with a domestic approach" in the UK, France and Spain.

Although the Margin Call brand will remain with CLSE, Mr Savouri and his colleagues would be free to create a similar product at Commerzbank, which is building an international equities business relying heavily on quantitative techniques.

Products such as Margin Call are important weapons in the fight for the business of institutional clients. Mr Savouri joined the French firm, then called Crédit Lyonnais Laing, in 1994, having previously worked at Hoare Govett and lectured at the London School of Economics.

The move of Mr Savouri and his team, which includes Elena Kikina, has echoes of a previous episode. In 1994, the Crédit Lyonnais Laing team, which had created a quantitative research tool called Value & Momentum, moved to Flemings, where they swiftly built a matching product.

## Foreigners in US buying binge

By Richard Waters in New York

Foreigners became big sellers on Wall Street earlier this year, rivaling even the mighty US mutual fund industry in their hunger for American securities.

But the timing of the buying binge, revealed in figures produced by the Securities Industry Association, appeared to confirm an old Wall Street adage: when foreign investors arrive in force, it is time to sell.

The surge in foreign buying came late in the 1990s bull market. Non-US investors

stood on the sidelines until recently, buying only around \$5.5bn of US stocks a year on average, similar to their purchases during the 1980s. In 1997, though, the buying surged, then climbed even higher earlier this year - just before the market peaked in mid-July.

The sudden burst of buying also extended to corporate and other types of bonds, many of which have fallen heavily in recent months.

That reflected a new appetite for risk among foreigners, according to the SIA.

Typically, ultra-safe US Treasury bonds made up

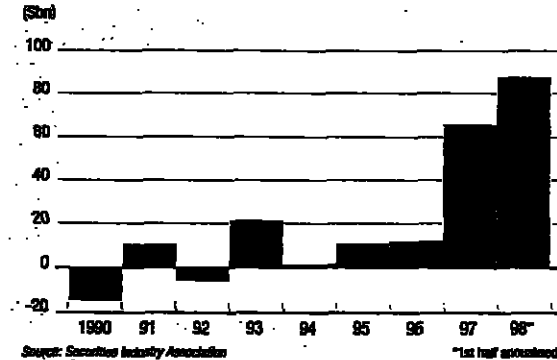
more than half their purchases of US securities; this year, though, they have represented only a fifth. The timing of this shift will have short-term consequences. The risk aversion that prompted the capital markets since August provoked a powerful rally in Treasury bonds and banded investment losses to holders of most other types of bonds. Thanks to the new interest from abroad, foreigners invested as much in US securities as all the US life insurance companies and public

and private pension funds combined. At \$39bn, they were only \$2bn less than the total investments of all the US mutual funds.

While foreigners have poured money into the US, meanwhile, American investors have largely lost their taste for financial markets overseas. In the full flush of excitement about the emerging markets of Asia and Latin America, US investors spent more than \$80bn on foreign equities in 1993.

Interest waned in the wake of Mexico's unexpected devaluation, however, and

Net foreign purchases of US stocks



despite a partial rebound in 1996, purchases have never returned to the same level. Americans bought less

than \$2bn worth of foreign stocks in the first half of this year, less than at any time since 1988.

## MMC attempts return to profit

By Alexandra Harney in Tokyo

Mitsubishi Motors, the Japanese car and truck group, is launching its most fundamental restructuring programme ever in an attempt to return the group to profitability.

The plan, which includes factory closures in Japan, job cuts in the US and cost reductions of ¥350bn (\$3bn) over the next three years, was announced as MMC revealed first-half pre-tax losses of ¥18.5bn against a profit last time of ¥17.5bn. Its forecast full-year losses of ¥9bn.

Cost-cutting and the yen's fall against the dollar failed

to offset falling sales, and first-half operating profit last time of ¥8.6bn became a loss of ¥15.1bn. Sales fell from ¥1.32trn to ¥1.11trn.

The group was squeezed by the collapse in the truck market in Japan and Asia amid the financial crisis and a sharp contraction in its domestic market share.

Chief among the initiatives is the loss of 1,000 jobs in the US. In Japan, it is consolidating its three truck plants into one and accelerating planned staff cuts over the next three years. Temporary staff levels in Japan will also be cut by half.

Mitsubishi declined to comment on the staff cuts in

the US, except to say the majority would be factory employees.

The moves are aimed to reduce production levels in the US by almost 30 per cent, from 240,000 to 160,000 vehicles, over three years. Also, the model range is to be shrunk by 40 per cent.

MMC aims to return to profit next year and report net profits of ¥10bn on sales of ¥2,500bn by 2000.

But the plan, which is more far-reaching than a similar restructuring outlined in autumn 1997, left the loss-making domestic operations largely untouched and the strategy for turning round the loss-

making truck division unclear. Katsuhiko Kawasoe, president, said the management shake-up was unlikely to include the introduction of performance-based compensation for managers or any job losses except those through natural attrition and early retirement.

"There's a lot of smoke and mirrors here," said Peter Boardman, analyst at Warburg Dillon Read in Tokyo. While MMC, which has a debt to equity ratio of 165 per cent, aims to cut group debt from ¥2,000bn to ¥1,500bn by the end of 2000, it would be easy to shift the debt on to subsidiaries' balance sheets, he said.

## Publicis moves to end alliance

By Samer Iskander in Paris

Publicis, the French advertising company, is to issue FF\$12m (\$146m) of new shares in a move intended to terminate its 10-year alliance with True North of the US.

Its shares rose 3.6 per cent after yesterday's announcement to close at FF\$1.025.

The company will launch a share exchange offer if its strategy is approved by shareholders at an extraordinary general meeting next month. It will offer three new shares in exchange for every two shares of Publicis Communication, its subsidiary,

in which True North holds a 26.3 per cent stake.

"Publicis will from now on control 100 per cent of its advertising activities," said Maurice Lévy, chairman, speaking after the Publicis supervisory board unanimously approved the transaction - True North's representative on the board was absent.

The three-for-two parity, set after consulting with Lazard Freres, the investment bank, and Ernst & Young, the accountant, was "generous for True North", said Mr Lévy.

If True North agrees to the transaction, it will end up holding 8.8 per cent of Publicis, which is listed on the Paris Bourse.

Publicis will remain True North's largest shareholder, with 10.6 per cent of its equity.

However, Mr Lévy said these stakes were likely to be unwound eventually. He said the issuing of 792,000 shares - equivalent to 10 per cent of the equity - would raise earnings per share by roughly 5 per cent from next year.

The cross-shareholdings were established in 1988, as part of a trading alliance through which each company represented the other in markets where it was better established.

The alliance was dropped last year, as relations soured between the two.

Since then, Publicis has reinforced its US presence through the acquisition earlier this year of Hal Riney and Evans Group, two US advertising companies. North America accounts for a quarter of Publicis sales. France for another quarter and the rest of Europe for 41 per cent. Mr Lévy said full-year profits would grow by more than 20 per cent.

As part of the separation negotiations, Publicis had agreed that Publicis Communication would either be floated, or sold to a listed company.

### FT/S&P ACTUARIES WORLD INDICES

FT/S&P Actuaries World Indices are compiled by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

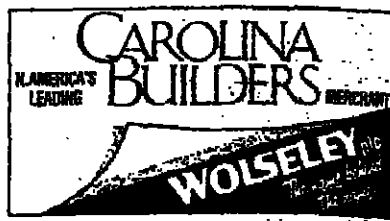
NATIONAL AND REGIONAL MARKETS		THURSDAY NOVEMBER 5 1998										WEDNESDAY NOVEMBER 4 1998										DOLLAR INDEX					
Index	Change	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%	Point	%
Australia (75)	-194.15	0.3	172.13	143.06	167.36	204.14	-0.4	3.83	163.60	173.37	142.86	188.02	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18
Canada (22)	-131.30	-1.7	170.60	141.36	164.78	18.2	2.12	134.42	173.20	142.72	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	163.36	210.52
France (22)	-391.76	0.5	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
Germany (22)	-136.81	0.5	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
Japan (22)	-167.86	1.1	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
UK (22)	-103.87	0.3	141.81	147.38	140.45	14.4	-1.0	1.74	470.94	421.62	347.43	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
Asia Pacific (749)	-453.00	-1.3	618.98	336.21	340.50	478.52	-0.5	1.20	717.33	413.47	340.71	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
Europe (76)	-304.82	-1.4	274.09	225.34	242.50	285.54	-2.0	2.35	266.76	276.48	272.29	267.55	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	
Latin America (22)	-103.87	0.3	141.81	147.38	140.45	14.4	-1.0	1.74	470.94	421.62	347.43	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
Middle East (22)	-294.84	-1.0	251.01	210.77	245.54	567.89	-2.0	2.35	266.76	276.48	272.29	267.55	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	
South America (22)	-317.74	-2.9	283.35	235.12	273.30	315.83	-2.8	4.14	327.10	292.91	241.35	283.87	325.20	388.07	198.64	370.04	198.64	370.04	198.64	370.04	198.64	370.04	198.64	370.04	198.64	370.04	
World (22)	-29.36	14.8	31.10	32.12	33.93	204.83	-0.7	1.65	34.34	30.75	25.34	29.85	30.86	134.64	184.18	134.64	184.18	134.64	184.18	134.64	184.18	134.64	184.18	134.64	184.18	134.64	184.18
US (22)	-17.17	-1.7	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
Asia Pacific (749)	-195.50	-0.8	138.67	115.07	134.05	190.45	-1.4	1.46	195.71	140.33	115.33	130.00	132.14	184.18	105.79	198.58	105.79	198.58	105.79	198.58	105.79	198.58	105.79	198.58	105.79	198.58	
Europe (76)	-136.81	0.5	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
Latin America (22)	-1213.26	-0.8	1081.95	547.27	1045.88	1325.85	-1.3	1.39	1222.52	1094.00	924.14	1061.02	1330.31	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	
Middle East (22)	-453.00	-1.3	618.98	336.21	340.50	478.52	-0.5	1.20	717.33	413.47	340.71	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
South America (22)	-81.17	5.1	94.95	45.27	72.73	80.23	-3.9	4.93	108.22	94.14	42.96	50.57	87.55	45.85	48.74	87.55	45.85	48.74	87.55	45.85	48.74	87.55	45.85	48.74	87.55	45.85	
World (22)	-238.48	-1.4	61.89	57.12	65.43	238.87	-2.2	2.52	249.48	218.04	190.50	212.28	248.80	207.71	161.88	207.71	161.88	207.71	161.88	207.71	161.88	207.71	161.88	207.71	161.88	207.71	
Asia Pacific (749)	-77.29	2.1	83.92	17.21	20.63	13.53	2.7	1.01	78.37	62.84	32.29	46.16	62.84	32.29	46.16	62.84	32.29	46.16	62.84	32.29	46.16	62.84	32.29	46.16	62.84	32.29	
Europe (76)	-103.87	0.3	141.81	147.38	140.45	14.4	-1.0	1.74	470.94	421.62	347.43	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
Latin America (22)	-155.26	-0.2	174.12	144.49	158.32	143.81	-0.4	2.10	155.70	175.25	144.41	158.98	144.41	264.82	102.45	253.16	102.45	253.16	102.45	253.16	102.45	253.16	102.45	253.16	102.45	253.16	
Middle East (22)	-220.60	-1.3	178.13	182.84	190.71	269.43	-1.0	3.44	226.20	170.27	184.94	188.98	274.12	346.20	151.55	297.45	151.55	297.45	151.55	297.45	151.55	297.45	151.55	297.45	151.55	297.45	
South America (22)	-370.85	-0.5	330.24	274.43	312.89	348.81	-0.5	1.05	330.24	274.43	312.89	348.81	330.24	274.43	312.89	348.81	330.24	274.43	312.89	348.81	330.24	274.43	312.89	348.81	330.24	274.43	
World (22)	-141.17	1.4	21.17	21.17	21.17	21.17	-0.4	2.11	48.84	43.74	36.07	42.43	58.92	62.16	39.18	58.92	62.16	39.18	58.92	62.16	39.18	58.92	62.16	39.18	58.92	62.16	
Asia Pacific (749)	-385.63	-1.8	334.21	285.23	324.34	324.87	-2.6	3.11	392.74	351.99	299.20	340.84	334.43	439.88	307.73	316.45	439.88	307.73	316.45	439.88	307.73	316.45	439.88	307.73	316.45	439.88	
Europe (76)	-23.85	5.2	21.18	19.79	20.29	38.29	-4.7	2.85	22.48	22.48	13.51	15.59	18.51	31.90	8.62	31.90	8.62	31.90	8.62	31.90	8.62	31.90	8.62	31.90	8.62	31.90	
Latin America (22)	-353.14	-1.5	310.19	250.28	285.12	348.81	-1.5	2.10	310.19	250.28	285.12	348.81	310.19	250.28	285.12	348.81	310.19	250.28	285.12	348.81	310.19	250.28	285.12	348.81	310.19	250.28	
World (22)	-141.17	1.4	21.17	21.17	21.17	21.17	-0.4	2.11	48.84	43.74	36.07	42.43	58.92	62.16	39.18	58.92	62.16	39.18	58.92	62.16	39.18	58.92	62.16	39.18	58.92	62.16	
US (22)	-136.81	0.5	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
Asia Pacific (749)	-453.00	-1.3	618.98	336.21	340.50	478.52	-0.5	1.20	717.33	413.47	340.71	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
Europe (76)	-304.82	-1.4	274.09	225.34	242.50	285.54	-2.0	2.35	266.76	276.48	272.29	267.55	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	
Latin America (22)	-103.87	0.3	141.81	147.38	140.45	14.4	-1.0	1.74	470.94	421.62	347.43	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
Middle East (22)	-294.84	-1.0	251.01	210.77	245.54	567.89	-2.0	2.35	266.76	276.48	272.29	267.55	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	267.55	334.10	
South America (22)	-317.74	-2.9	283.35	235.12	273.30	315.83	-2.8	4.14	327.10	292.91	241.35	283.87	325.20	388.07	198.64	370.04	198.64	370.04	198.64	370.04	198.64	370.04	198.64	370.04	198.64	370.04	
World (22)	-29.36	14.8	31.10	32.12	33.93	204.83	-0.7	1.65	34.34	30.75	25.34	29.85	30.86	134.64	184.18	134.64	184.18	134.64	184.18	134.64	184.18	134.64	184.18	134.64	184.18	134.64	
US (22)	-17.17	-1.7	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
Asia Pacific (749)	-195.50	-0.8	138.67	115.07	134.05	190.45	-1.4	1.46	195.71	140.33	115.33	130.00	132.14	184.18	105.79	198.58	105.79	198.58	105.79	198.58	105.79	198.58	105.79	198.58	105.79	198.58	
Europe (76)	-136.81	0.5	140.41	129.10	128.02	22.04	-1.5	2.10	135.07	144.18	142.18	167.89	17.73	233.73	186.45	204.85	218.96	163.36	210.52	208.25	184.18	167.89	233.73	186.45	204.85	218.96	
Latin America (22)	-1213.26	-0.8	1081.95	547.27	1045.88	1325.85	-1.3	1.39	1222.52	1094.00	924.14	1061.02	1330.31	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	767.15	1030.07	
Middle East (22)	-453.00	-1.3	618.98	336.21	340.50	478.52	-0.5	1.20	717.33	413.47	340.71	408.61	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	408.26	413.81	408.65	537.33	
South America (22)	-81.17	5.1	94.95	45.27	72.73	80.23	-3.9	4.93	108.22	94.14	42.96	50.57	87.55	45.85	48.74	87.55	45.85	48.74	87.55	45.85	48.74	87.55	45.85	48.74	87.55	45.85	
World (22)	-238.48</																										





# COMPANIES IN MARKETS

Weekend November 7/November 8 1998



WALL STREET CHEERS \$600M DEAL TO ACQUIRE INGRAM GROUP

## Barnes & Noble to buy top book distributor

By John Labate in New York

Barnes & Noble, the leading US book retailer, is to acquire Ingram Book Group, the country's largest book distributor, for \$600m in the latest stage of the bitter struggle for dominance of the US bookselling market.

Ingram, which is a private subsidiary of Ingram Industries, is the largest supplier to Amazon.com, a big rival of Barnes & Noble in the growing online book market.

Barnes & Noble said it had agreed yesterday to pay \$200m in cash and \$400m in shares for the distributor.

Wall Street cheered the news, sending Barnes & Noble shares more than 10 per cent higher to \$24 in midday trading.

But the deal must win the approval of US federal regulators.

The crux of the regulatory issue is that Ingram supplies books to hundreds of small independent book retailers, as

well as being the largest supplier to Amazon.com.

In response to yesterday's deal, the American Booksellers Association issued a strongly worded statement calling the acquisition "a devastating development that threatens the viability of competition in the book industry and limits the diversity and availability of books to consumers."

The group called on anti-trust regulators to investigate and stop the combination.

But Barnes & Noble executives were quick to defend the purchase. "I don't think there are antitrust concerns," said Alan Kahn, chief operating officer at Barnes & Noble. "We have just 14 per cent of the US book market and Ingram is not in the retail end of the business."

In a prepared statement, the company said: "The Ingram Book Group will continue to supply books to current customers including independent bookstores, specialty retailers,

and libraries in the US and abroad."

If approved, the combination would offer Barnes & Noble key strategic advantages, including, eventually, the ability to ship orders to customers in any part of the US within 24 hours, a level of service especially attractive to online consumers.

Ingram would give the company 10 distribution centres spread across the US. Barnes & Noble currently operates a single distribution warehouse located in New Jersey.

Barnes & Noble is best known for its chain of US superstores in both urban and rural regions. It operates 504 stores under its own name and an additional 507 B. Dalton bookshops.

Bertelsmann, the German media group, last month bought a 50 per cent stake in Barnes & Noble. Barnes & Noble's internet arm, The two companies agreed to spend \$100m expanding online book-selling in the US.

## LucasVarity shareholders revolt over Wall St plan

By Andrew Edgecliffe-Johnson

As displays of people power go, it was not quite the peasants' revolt.

A band of disgruntled private investors did, however, leave in the balance LucasVarity's plan to emigrate from London to Wall Street.

Yesterday's two-hour shareholder meeting produced an overwhelming show of hands against the car parts maker's planned change of domicile and registrars were counting proxy forms late into the night.

Advisers who had remained calm through a volley of criticism in recent weeks, muttered that the result was "too close to call".

LucasVarity appeared to have ensured the necessary simple majority of the shareholders voting, but was unsure about the second hurdle - securing 75 per cent of the votes by value. Among the opponents was a handful of UK institutional shareholders with more than 15 per cent of the company.

Small shareholders added their voices to the institutional opposition. One vehement former employee said the proposal "reeked of manipulation and greed" and accused the directors of using the company as "an Alibi Baba's cave."

Victor Rice, LucasVarity's chief executive, conceded at the meeting that the proposal was "sensitive" but did little else to dispel accusations of condescension in the company's approach to investor relations.

The US-based Mr Rice told one shareholder that his information was out of date, advised another that he was "just wrong", and said he did not have the time to give "a teach-in" on the differences in the cost of capital on either side of the Atlantic.

His chairman, Ed Wallis, said LucasVarity had been advised that its share price could be up to 30 per cent higher in New York. He added that that had not been a factor in the board's "unanimous" recommendation of the move.

Independent advisers from Lazard Brothers, Morgan Stanley and Merrill Lynch also came under fire from the 116 shareholders at the meeting in an old City brewery.

## THE LEX COLUMN

## Raising the standard

Talk about the Midas touch. In the five weeks since Rana Talwar took over as chief executive at Standard Chartered, the share price has risen by 82 per cent. The tale, of course, is a little more complex. HSBC, after all, has also climbed by 50 per cent from its October low. And both remain a third or so below their 1997 peaks. Is there any sense in these moves?

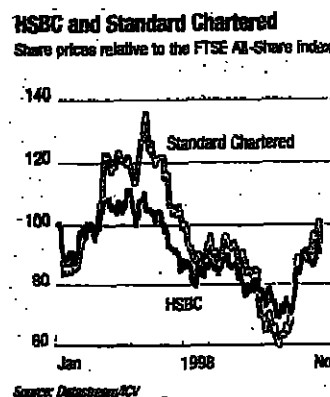
At the very least, there is a change in sentiment. This has been triggered by falling US interest rates and the slump in the dollar - a combination that has taken the pressure off Asian currencies, allowing interest rates to fall. Whether this justifies these moves is moot. True, the earlier corrections were probably too severe. But knowing what fair value is for Asian-focused banks is more art than science. If you believe in Asia, medium-term optimism is appropriate. HSBC and Standard Chartered are profiting from a flight to quality as weaker European and Japanese banks dash for cover. Their competitive positions are getting stronger.

Shorter term, caution must be appropriate. The economies in Hong Kong and Asia where these banks do most business will shrink this year and probably next too. This will hit lending volumes. If the current improved sentiment persists, margin pressure may not be too severe, especially as the banks can make customers pay for the security they offer. But bad debt charges will certainly jump, despite the Asian disinclination to default.

With the two banks trading on price/book ratios of around 2.7, it is not clear that investors are allowing properly for the hit which will come next year. True, the turnaround sentiment should provide a floor under prices. But further momentum will require more tangible evidence that Asia is on the mend. Meanwhile, local banks like Barclays and NatWest trade on similar multiples, yet face a much less demanding outlook. Mr Talwar's honeymoon may be drawing to a close.

### LucasVarity

This can hardly have been the triumphant curtain call Victor Rice will have wanted. Voting on LucasVarity's plan to shift domicile to the US is so close the count may carry on through the early hours of this morning. This is not surprising. The case for the move has not been convincingly made. The costs of this



arbitrage between investor tastes for automotive stocks either side of the Atlantic are likely to outweigh the benefits.

If Mr Rice loses the vote, his credibility will certainly have been damaged by shareholders' refusal to back him on such an important strategic move. But only if he refuses to build bridges with them to make the best of their differences should shareholders call for his head. Encouraging sensible shareholder activism should not lead to revolving doors being installed in the UK's boardrooms.

If Mr Rice wins and LucasVarity goes, he will still have to prove himself. Unless he delivers the promised superior returns in short order, he should carry the can for an unnecessary waste of time and energy.

### Cookson

At last, Cookson has come clean with a profit warning rather than trudging out the bad news through broker downgrades. A conglomerate in search of a core, Cookson's value destruction rivals BTR's in scope. Over the last decade it has underperformed the UK market by a spectacular 82 per cent. Such consistent underperformance stretches most definitions of cyclical.

Yesterday's revelation that profits are flat over nine months is largely because the ceramics business is suffering from a sharp fall in US steel production. But a reshuffling of assets (and management) that has taken place over the last few years has not turned Cookson into the promised high-growth company. Next year's forecast pre-tax profits are some 20 per cent lower than in 1995.

Despite nearly £700m (\$1.2bn) of sales bought on a multiple of 0.8

times sales and a little over \$500m sold at an average of 0.8 times, the benefits of shipping up the value chain are yet to flow through. A conglomerate structure stifling intrinsic growth potential must take the bulk of responsibility.

Not only are the synergies between the three umbrella divisions - ceramics, electronics and engineering - minimal, but only electronics is really a coherent division in its own right.

That Cookson acknowledges the need for further pruning in the engineering business is welcome. But unless more radical measures erode a 30-35 per cent discount to sum-of-the-parts valuations, bid approaches seem inevitable.

### Employee shares

The UK government believes, with some justification, that employees who are incentivised with shares will work harder. The chancellor has certainly been impressed by links between the dynamism of the US economy and employee share ownership there. But how far should a government go in promoting it?

The chancellor seems to be prepared to throw more tax-breaks at these schemes, since he wants to double the number of firms offering them. Quite how feasible this will be is another matter, since most quoted companies already have them, and many unquoted companies do not because there is no liquid market for the equity.

And if the government wants to improve the take-up rate, more tax breaks may not even do the trick. The incentives are already generous. Incentivising employees to hang on to their shares for longer is also tricky territory. What is a long time for one employee/company is a short time for another. Also, it is understandable if employees want to sell their company's shares to diversify portfolios.

If share-ownership schemes do improve performance, surely companies could use the benefits and promote them without any state subsidy? The government could argue tax breaks are needed to get companies hooked on such schemes - after which subsidies should be phased off. But it has yet to make this case, let alone convincingly.

Employees and companies will cheer if government backs its rhetoric with even more juicy tax breaks. As taxpayers, they should be less sanguine.

## Increased exports boost Japanese shipping lines

Lower yen and higher freight rates to Europe and US lift profits

By Julie Hess in Tokyo

Japan's big shipping companies look set to dispel theories that the country's gloom is all-pervasive. Mitsui O.S.K. Lines, Japan's number two in liner trade, is riding high on a wave of increased exports and higher freight rates, reporting a 52.8 per cent rise in operating profits to ¥11.5bn.

Nippon Yusen, Japan's largest shipping company, yesterday announced a 22.9 per cent rise in operating profits to ¥14.9bn in the six months to September 30.

Although Kawasaki Kisen suffered a 12 per cent decline to ¥8.6bn on the back of higher expenses for vessels, all three predicted an increase in unconsolidated pre-tax profits, excluding exceptional, for the full year.

The companies said they had

been hurt by the economic crisis in Asia, where liner freight rates and cargo volume have come under pressure, but this had been offset by higher freight rates and an increase in volumes from Asia to the US and Europe. Income was also boosted by the depreciation of the yen.

Ships have been running at 100 per cent capacity between Asia and the US, enabling a 10 per cent rise in freight rates in May. Companies have forecast an increase of another 40 per cent in freight rates for the Asia-US route next May. "It mainly depends on the development of the US economy whether this substantial increase materialises. In any case, a double-digit growth figure is likely," said Paul Smith, transport analyst at HSBC.

All Japan's shipping companies have benefited from continued high levels of car

exports to all regions except Asia. But the dry bulk market - carrying products such as iron, coal and grain - has remained weak, reflecting a slowdown in Japanese industrial production and falling demand in Asia.

Navis Line was particularly hard hit, deriving 98 per cent of its revenue from dry bulk. Navis Line's operating profits fell 11.8 per cent to ¥1.9bn. It is the only company with almost no exposure in the liner business.

Cost-cutting continued to show results across the board, as did improved efficiency.

The results were announced before the market closed. Nippon Yusen's share price fell 0.26 per cent to ¥384, Mitsui O.S.K. declined by 1.06 per cent, closing at ¥186, and Kawasaki Kisen rose 0.59 per cent to ¥170. Navis Line was unchanged.

### Companies in this issue

AMP	22	Fibernet	22	Mitsui	5
Amazon.com	24	GUS	22	Mitsubishi Motors	23
BMW	17	Greenalls	22	Morgan Crucible	17
BP	5	HSBC	24	NPI	22
Barnes & Noble	24	Haklax	17	Parity	17
British Energy	22	Hongkong Telecom	23	PolyGram	22
C Lvmias	22	Ingram Book Group	24	Prudential	17
CLS	22	Johnson Matthey	17	Publicis	23
Cable and Wireless	23	Laporte	22	RBS	17
Cartel Comms	22	London Electricity	22	Shell Transport	17
OilPower	22	Lonen	17	Singapore Power	22
Commerzbank	23	LucasVarity	24	Standard Chartered	24
Cookson	17, 22, 24	Marks and Spencer	5	Swiss Life	22
EdF	22	Metrolact	22	True North	23
				Unilever	22

### Markets Latest

FTSE 100	5491.0	(+11.2)
Yield	2.30	
FTSE 100 300	1067.32	(+3.99)
FTSE 100 500	1030.32	(+4.70)
Wales	14,712.97	(+219.49)
New York S&P 500	8973.92	(+58.45)
S&P 500	1136.32	(+4.47)
IN LONDON MONEY		
3-month interest	6.75%	(6.75%)
6-month interest	6.75%	(6.75%)
12-month interest	6.75%	(6.75%)
IN US LUNCHTIME RATES		
3-month interest	4.88%	(4.88%)
6-month interest	4.88%	(4.88%)
12-month interest	4.88%	(4.88%)
IN NORTH SEA OIL (August)		
Brent 2000	\$11.80	(+1.71%)
WTI	\$11.80	(+1.71%)
IN GOLD		
New York Comex	\$384.0	(+0.4%)
London	\$384.0	(+0.4%)

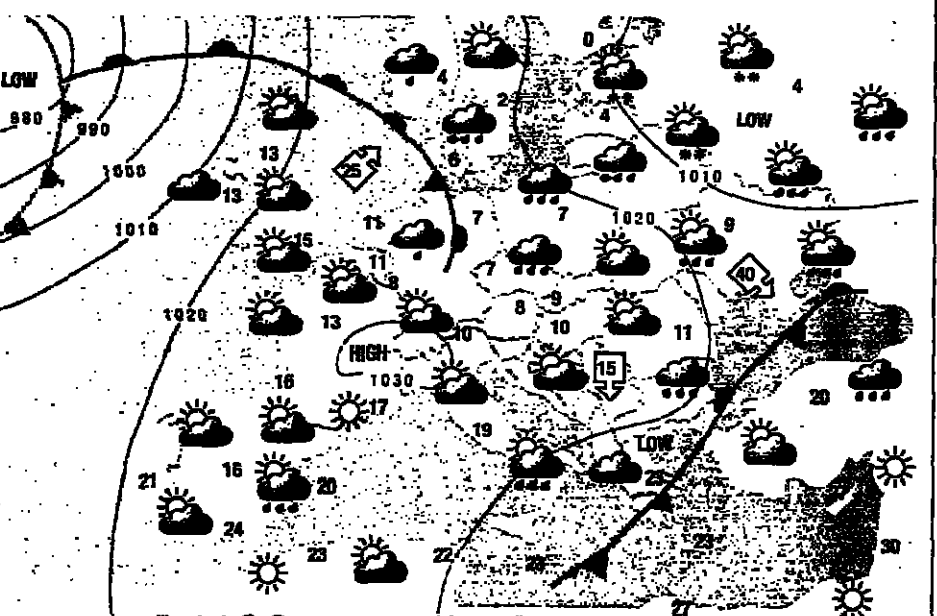
### Weather

#### Europe today

Denmark, southern Norway and southern Sweden will have rain for most of the day, some heavy. The rest of Scandinavia will have sunny spells and wintry showers. It will be wet in the Low Countries and Germany. Austria, Switzerland and France will be dry with sunny spells. Most of Spain and Portugal will also be dry but there is the risk of a late afternoon shower on the Costa Blanca. Northern Italy will be dry but central and southern Italy will be showery.

#### Five-day forecast

North-west Europe will be very unsettled with heavy rain moving in from the Atlantic, the bands of rain moving east across northern Europe and into Russia. The Mediterranean will start the week mainly fine, with the exception of showers in the east, but many parts will have showers before the week is over.



#### TODAY'S TEMPERATURES

Location	Max	Min
London	17	10
Paris	16	9
Rome	18	11
Madrid	19	12
Amsterdam	15	8
Brussels	16	9
Frankfurt	17	10
Berlin	18	11
Munich	19	12
Stockholm	14	7
Helsinki	13	6
Toronto	12	5
New York	11	4
Los Angeles	20	13
Hong Kong	25	18
Beijing	15	8
Tokyo	16	9
Sydney	22	15
Melbourne	21	14
Auckland	18	11

#### Temperatures maximum for day, forecasts by 12W WEATHERCENTRE

Location	Max	Min
London	17	10
Paris	16	9
Rome	18	11
Madrid	19	12
Amsterdam	15	8
Brussels	16	9
Frankfurt	17	10
Berlin	18	11
Munich	19	12
Stockholm	14	7
Helsinki	13	6
Toronto	12	5
New York	11	4
Los Angeles	20	13
Hong Kong	25	18
Beijing	15	8
Tokyo	16	9
Sydney	22	15
Melbourne	21	14
Auckland	18	11

## ALPHA ASTIKA AKINITA

INCORPORATED COMPANY OF REAL ESTATE CONSTRUCTIONS TOURIST AND RELATED ENTERPRISES

PUBLIC CALL FOR TENDERS FOR THE SALE OF THE ASSETS OF THE COMPANY "ATHANASSIOS ZACHARAKIS - COTTON FACTORY A.E.E."

"ASTIKA AKINITA" S.A. (43 Panepistimiou str. 105 64 Athens) under its capacity as special liquidator by virtue of resolution No. 2518/1998 of the 1998 of the Thessaloniki Court of Appeal, of the incorporated company under the title "ATHANASSIOS ZACHARAKIS - COTTON FACTORY A.E.E." and the abbreviated title "NKO A.E.E." (hereinafter referred to as the "liquidator").

ANNOUNCEMENT

As liquidator for the liquidation of the company, for the sale of the total assets of the company under special liquidation by virtue of article 406, L. 1992/1990.

ACTIVITIES AND BRIEF DESCRIPTION OF THE COMPANY

The company under the title "ATHANASSIOS ZACHARAKIS - COTTON FACTORY A.E.E." and the abbreviated title "NKO A.E.E." was established by Act No. 2040/1992, 12/10/1994 of the Greek Ministry of Finance (Ministry of Finance). The seat of the company was initially in Municipality of Thessaloniki.

The objective of the company according to its articles of association is the pursuit of profitable activities by 1. The establishment of a cotton seed processing factory in the Drama Industrial Zone, 2. The purchase of seed-cleaning cotton, processing (ginning) cotton and sale of the finished product, 3. Ginning on behalf of third parties, 4. Production of fibre in the factories of third parties or in a textile unit to be established by the company and sale of the textile products, 5. Processing of cotton products by a company and sale thereof, or sale thereof as an unprocessed form. The company has a self-owned site covering an area of 35,000.00 square metres which contains the units building installations, covering a total area of 10,000.00 square metres, and the other industrial and auxiliary buildings required for its operation. On July 10, 1998, the company came under special liquidation provided by article 406, L. 1992/1990, by virtue of Decision No. 2518/1998 of the Thessaloniki Court of Appeal, by which "ASTIKA AKINITA" S.A. was appointed special liquidator.

The assets of the "liquidator" include one (1) site, with all its contents, accessories, fixtures and additions, with the building complex situated therein (ginning factory), with all its electrical and mechanical equipment and the machinery installed therein, and all of the same in general. This site is located within the Drama Industrial Zone, in the industrial region of Xanthopoulos, Prefecture of Drama.

INVITES

any interested parties to receive the offer memorandum and submit a sealed, binding offer accompanied by a letter of guarantee by a bank operating lawfully in Greece, for the sum of one hundred million (100,000,000) drachmas and the contents described in the offer memorandum.

TERMS OF THE CALL FOR TENDERS

1. The public call for tenders will be carried out according to the provisions of article 406, L. 1992/1990 which was added to the law by virtue of the provision of article 14, L. 2003/91, as amended, modified and applicable with the terms included in the present call for tenders and the terms of the offer memorandum, which interested parties may obtain after submitting a pledge of confidentiality in writing.

2. In order to participate in the call for tenders, interested parties are invited to deliver a sealed, binding offer in writing by 11:00 Monday, November 9, 1998, to the Thessaloniki court registry public law, Ioannis Kallistratis-Crematos, 11 Thessaloniki str. 546 24 THESALONIKI, tel: 553-07003.

3. The offer and the letter of guarantee must be delivered in a sealed, opaque envelope by the interested party in person, or by its authorized representative.

4. The offer must contain clearly the amount offered for the purchase of the "liquidator" and must not contain any terms, options or vague phrases which might create uncertainty as to the amount and manner of payment of the sum being offered or other matters related to the sale.

5. Offers delivered after the expiration date will not be accepted and will not be considered. The binding nature of the offer will apply until the award of the sale.

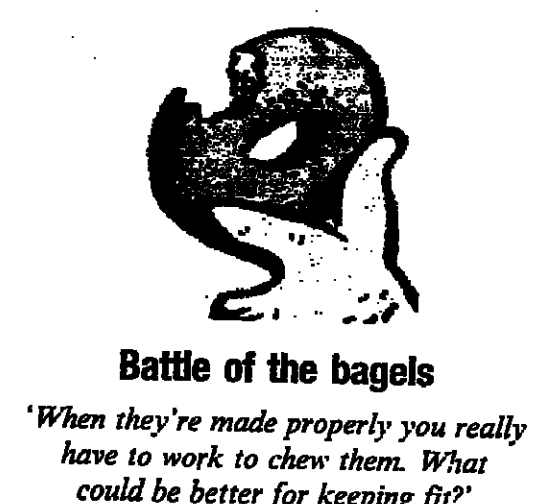
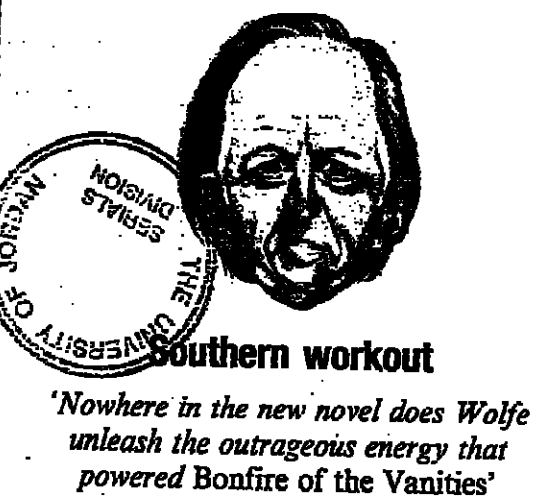
6. The assets of the company and all the secondary assets of current affairs of the company, which are included in the offer memorandum, are sold, as they are, with all rights, etc. will be sold and transferred "as and where they are". In its offer and legal condition and at the place where they are located on the date of signing the contract of sale.

10. The liquidator and the creditors will not bear any responsibility or liability against those who will participate in the tender as regards the evaluation of the offer, their recommendation of the successful bidder, any decision for rejection or cancellation of the tender and any other decision relevant to the procedure and realization of the tender.

11. The present announcement has been drafted in the Greek language and translated into the English language. In every instance however, the Greek text will prevail.

Interested parties may collect offer memoranda and receive other information from Mr. Chrysos Agathopoulos and Mr. Genesios Christopoulos, 43 Panepistimiou Street, Athens 105 64, telephone nos: 326 6111 and 326 6110, fax no: 326 6112.





# Known only unto God

Next Wednesday marks the 80th anniversary of Armistice day, the ending of the first world war. For William Packer it was time to pay homage at the killing fields where his grandfather died

I have seen Sordet's cavalry march through Inchy on the eve of Le Cateau; I have seen the Iron Corps of France march through the square at Ypres; I have seen the 1st Canadian Division marching to St Julian before the gas attack;... but I have no remembrance to equal in any way that of the old regiments of the BEF marching to the Battle of Mons.

his view of a Captain Brownlow has always stayed with me, for my mother's father had marched with that same British Expeditionary Force, sent to France in August 1914, to defend the integrity of Belgium and be home by Christmas - that "contemptible little army" of the Kaiser's dismissive phrase.

But I know little about him. My grandmother was always reluctant to speak and I hardly thought to ask until too late. But I do know he had taken the Queen's shilling as a young man, and had been in the Boer War. By 1914, 5206 Private John Wornham, 1st battalion The Hampshire Regiment, had been out of the army for some years but, as a former regular, was still on the reserve. So, by the end of August, he was back with the colours in France, coming into the line at Le Cateau on the 26th, just as General Sir Horace Smith-Dorrien was turning to face overwhelming numbers of Germans in what proved to be a brilliant and crucial holding action, buying just enough time for the British to disengage and slip away.

The 1st Hampshire, and my grandfather with it, fought with the BEF through the long retreat to the Marne, the advance to the Aisne and the Race to the Sea. By late October, they were at Ypres, in the one corner of Belgium the Germans were never to take. And there they stayed, through the 1st Battle of Ypres that autumn, the 2nd Ypres and the first gas attacks in the spring of 1915. In early July the battalion was back in the front line,

across the Yser Canal in front of Boesinghe, north of Ypres itself, just where the Salient begins its eastward bulge and protective sweep around the city. On July 6 the 1st Rifle Brigade had recaptured 300 yards of what was called the International Trench, which the 1st Hampshire took over from the 2nd Lancashire Fusiliers on the night of July 8-9, coming out of the line on the night of July 10.

The regimental history laconically records that the forward companies were "heavily shelled and trench-mortared, while bombing duels went on all day... With the trenches much-damaged and the parapet not bullet-proof, casualties were heavy... footnote: 18 killed and 55 wounded."

My grandfather was one of the 18. He was 35. His body was never recovered, or at least identified, for quite possibly it lies in one of the several British cemeteries nearby (there are more than 150 in the Salient as a whole) - "A Soldier of the Great War: Known unto God."

His name is on the war memorial in the marketplace at Farlington once in Berkshire, now allotted to Oxfordshire, close to the tiny village of Shellingford where he and my grandmother had been living; and it is inscribed too on the Menin Gate at Ypres, the great memorial to the near-65,000 from Britain and the Empire, killed in the Salient alone, between 1914 and August 15 1917, "who have no known grave".

Tyne Cot, on the slopes of Passendale Ridge about five miles to the north-east, has another 35,000 names, and 14,000 graves besides, from 3rd Ypres (Passendale) through to the end of the war. The scale of such loss is beyond comment.

I had never visited Ypres, but with the 80th anniversary of the Armistice coming up - the Queen will be in Ypres on Wednesday, Armistice Day itself - this seemed at last the time to go.

I went first to the Menin Gate to see my grandfather's name, which I found with surprising ease. Blomfield's handsome but in no sense triumphal arch stands where the medieval gate had stood until the 18th century, to close again the gap in Vauban's historic ramparts. It sits close to the city's heart in every sense, and I never thought so looming a presence.

Every evening buglers of the Ypres fire brigade sound the last post beneath the Menin Gate

And every evening at 8 o'clock, as it has every day in peacetime since its completion in 1928, in rain and shine, in a spontaneous gesture that has become fixed tradition, the traffic stops for buglers of the local fire brigade to sound the last post beneath its arches. The ceremony is simplicity itself, dignified, sincere and infinitely touching.

A new museum, "In Flanders Fields", in the old Cloth Hall, rebuilt after the Great War, like the town itself, is unexpectedly compact, set upon a sequence of thematic displays and tableaux, some still provisional, that make as much use of archive film, inter-active screens and special effects as of actual objects.

The intention is to dwell, at the personal level of experience, on context and the general aspects of the life that had to be endured, on either side - the general enthusiasm at the outset; the life of the trenches; the

Christmas truces; social and military prejudices and expectations; the artists and poets; discipline; the nurses and the wounded; the prisoners of war.

Any such enterprise inevitably runs the risk of tendentious revisionism, or mere trivialisation, but here it is carried off, for the most part, with a sympathetic and imaginative objectivity. But Ypres itself and the Salient are still the real museum, though Hell-Fire Corner is now only the first roundabout on the Menin Road, and modern factories encroach upon the battlefields.

Bodies still turn up as foundations are dug - only last month more were properly buried in the cemetery kept open for the purpose. All of these were gifts in perpetuity from the Belgians, but since the second world war, the Germans and French have concentrated their graves into one or two.

The German cemetery at Langemark, along the ridge from Pilkem, alone commemorates, on the dark marble slabs laid beneath the trees, 44,000 dead, with 24,000 laid in one vast mass grave.

There too are the 2,000 untrained students, let off in 1914 to enjoy the action while it lasted, and be back by Christmas and the new term. The British, too, have their larger cemeteries, such as Tyne Cot, but even they are set around what were the immediate burials close to the fighting. The strong local feeling is that they should never be rationalised, for they are part of the historic fabric of the Salient, testimony on the spot to the reality, over three dreadful years and more, of the constant raids and assaults, the "bombing duels" and "heavy shelling" of the reports.

To walk along a little path through the fields, to the cross that marks a little plot with its dozen or two well-

kept graves, to Caesar's Nose perhaps, or Dragoon Camp, is even more sobering than seeing the regiments of headstones marching across the hillside.

The city archive could not have been more helpful, and armed with a photocopy of the old trench map, my guide and I set off next morning to find that International Trench - or rather where it was, for except in isolated preserves such as Sanctuary Wood and Essex Farm, no trenches remain, nor even traces.

But it was not difficult. Over the bridge at Boesinghe, right and right again down the lane to the long left-hand bend given on the map, and there we were. And just in time, for the road is now blocked off, and the ground much mumbled and disturbed in evident preparation for more development, though for the moment the disturbance seemed not inappropriate.

The trench had run close to the road at a shallow tan-

Bodies still turn up as foundations are dug - only last month more were properly buried

gent to its curve, with its back to the canal. I walked across to stand more or less upon its line, and looked out across the bleak autumn fields beyond the road.

There, 800 yards away to the front, was the Farm 14, just as on the map. And as I stopped, a large hare started up and disappeared behind a spoil-heap. Birds apart, it was the only wild thing I saw all day.

Only on the ground does one even begin to understand. Looking out across this sodden, gently undulating landscape, you can just see the low rises in the distance that form the rim of the shallow half-bowl that was the Salient - Pilkem Ridge away to the left, and Langemark beyond, and so on round to Passendale, Sanctuary Wood and Messines to the south.

This is a country where even an elevation of 50ft affords a commanding advantage: and there, with their backs to the canal, trying to move up, were the British; there, always trying to move down, were the Germans. The stalemate cost 500,000 lives.

According to the register at the Menin Gate, my grandfather was killed on July 9 1915. His commanding officer, Captain K.A. Johnston, thought it was the 10th. No matter. His letter to my grandmother, written in indelible pencil, is by me now.

It begins with sincere but formal sympathy - for how many such letters had he already sent. But then one senses something more personal. "I am particularly grieved about it, as it always seems my best men go; but I suppose we must all have our turn. There are very few of us left in this company who were here six months ago."

My grandmother once told me that Jack, her husband, home on leave that spring, had said he knew he would not come back. He went away nonetheless, to do, as Captain Johnston wrote, "his duty like a man, and (be) a credit to the regiment" for king and country.

As Shakespeare's Feeble has it in *Henry IV Part II*: "No man's too good to serve's prince; and let it go which way it will, be that dies this year is quit for the next."

I have my grandfather's regimental cap-badge, and

his medals too: the South Africa Medal, and "Pip, Squeak and Wilfred" - the Victory Medal, the General Service Medal and the fine Mons Star of the Old Contemptibles.

As I child, I lived in a gar- rison town, and each Remembrance Sunday my grandmother would pin these medals to her coat, and walk proud and sad behind the band to the parish church. The numbers in the history book us still, but it is the contained and private griefs that bring them home.

The thought of their last parting haunts me still, the slow walk to the station, the lonely wait as the train passed out of view. Some lines of Wilfred Owen come to mind. "Shall they return to beatings of great bells in wild train-loads? A few, a few, too few for drums and yells. May creep back, silent, to still village wells. Up half-known roads."

William Packer's visit was arranged by Tourism Flanders-Brussels in London (0891-887799), and the Ypres Tourist Office, which can arrange tours and guides (00 32 57 20 07 84).

## Contents and columnists

Arts	VII, VIII	Motoring	XII
Arts Guide	XXIII	Perspectives	II-IV
Books	V, VI	Property	XV-XVII
Bridge Chess Crossword	IX	Joe Rogaly	III
Collecting	IX	Science	II
Food & Drink	XIII, XIV	Small Businesses	II
Gardening	XVI	Sport	XXIII
How To Spend It	X, XI	Travel	XVIII-XXI
Lunch with the FT	III	Weekend Investor	XXIV, XXV



**Joe Rogaly**  
Liberating  
'Slowly, painfully, Anglo-American society is freeing itself of shame'  
Page III

**NEXT WEEK**  
Jancis Robinson  
'I keep meeting people who think I don't like Chardonnay. But I am as alive to its charms as anyone'  
In FT Weekend

Hand-Threaded SUEVA JACKETS  
TROUSERS AND COATS

*Brioni*

ALTA SAPIENZA  
**HERBIE FROGG**  
42 HAND-CRAFTED KNITWEAR, LONDON SW1A 0LZ  
TEL: 0171 7534 2120 FAX: 0171 7534 0421



PERSPECTIVES

Minding Your Own Business

# The Welsh miner who came up for air

The Turkish coast is a mecca for scuba-divers. Tom Linton reports on a growing enterprise

They say that behind every successful man there is a woman. Steve and Alf Chappell, two Welshmen running the biggest privately owned scuba-diving business in Turkey, could not agree more. But, in their case, one woman helped both of them. They believe that without the dedication of Bala Birsin, the Turkish partner in their European Diving Centre, the venture would never have got off the ground.

Eight years ago, while the two Britons were resting in Fethiye after backpacking in India, fate took a hand. Birsin came round a corner on her bicycle and knocked Alf Chappell off his feet.

Alf, 43, who is Steve's uncle, admits it was love at first sight. The three decided to set up the business after the men had spent a few months working for separate diving companies in Fethiye. "We thought we could make a better job of it than they could," Steve, 32, says. Nowadays, there are about 120 such operators on Turkey's Aegean and Mediterranean coasts.

Alf, a former miner, and Steve, a former Welsh Guardsman, had savings of about £20,000 between them. They decided to set up the company in September 1990. But they had to cope with a bureaucratic nightmare before they could start trading eight months later on May 7 1991.

According to regulations governing foreign businesses, their capital was inadequate to form the company. They got round this by putting the business in



Alf (left) and Steve Chappell with Bala Birsin from two customers on the first day to 25,000 last season

Birsin's name and working for her. At the time, Birsin, now 37, had her own patisserie but, as the diving venture grew, she sold the shop. Both men admit that without her determination and ability to deal with bureaucracy the business would have failed. Today, she runs the administrative side of the company, which employs about 75 people.

While they were waiting to complete the onerous bureaucratic formalities, the two men spent six weeks at a diving college in Florida acquiring internationally recognised instructors' qualifications. Steve was already an advanced diver. "We believed in doing things properly. We became affiliated to the British Sub Aqua Club and all our instructors, most of whom are British, are licensed by the Professional Association of Diving Instructors," Steve says.

To start, they hired a 12-metre, single-deck diving boat, which cost them \$5,000 for the season. The rest of their £20,000 was swallowed up in legal fees, work permits, rent for a shop and office in Fethiye, plus diving equipment.

"We started with 13 air cylinders and 10 complete sets of diving equipment," Steve says. "We were stretched to the limit. On our first day, we had two customers. We finished it with only £50 in cash to our names."

"We were employing a captain, a boat boy and a Turkish guide diver. Every boat here is required to have a Turkish guide diver accompanying it to ensure that no one removes underwater

antiquities. At the end of the first month we had just enough money to pay the crew. We didn't take any wages ourselves. From then on, any spare cash was put back into the business. It still is, though we hope to pay ourselves a reasonable salary soon."

Although much time was taken up by the authorities investigating complaints - which proved to be spurious - from competitors, trade picked up sufficiently for them to hire a second boat in 1992. "Life was pretty difficult then and many people would have given up," Alf says. "Even so, we got on well with the townspeople. Today, we employ many of them at better rates than they can get around here."

At the end of the 1992 season they bought their original hire boat for £15,000 and built a second deck on it. They now run 12 boats, seven of them hired. These include two 30-berth gulets, which offer weekly holidays, and two rigid inflatable boats, known as RIBs.

The company opened a second centre in 1996 at Icmeler, farther along the coast, and a third is planned, probably next year. It also has six equipment shops.

Since it has such a voracious demand for capital, the centre leases its retail and office premises and hires the seven boats it does not own by the season, plus six mini-buses for ferrying customers around. It also owns several pick-up trucks.

"We had one bad investment in property, a building on the seafloor in Fethiye which we purchased for £12,000," Steve says. "Eight months later the council decided it wanted to build a park on the land. We lost a three-year legal fight and got about £500 in compensation. Now we rent on a three to five-year basis."

"We get most of our customers by giving demonstrations at hotel

poles. It gives would-be divers a chance to try scuba diving in a non-threatening environment. About 30 to 35 per cent book up for courses. Non-divers can accompany their families on the beginners' boats for £10 with a hot midday meal included. Business from the tour operators provides about 30 per cent of turnover. This year, nine British tour operators promoted us in their brochures.

"We try to ensure that our customers enjoy themselves. But safety is paramount," Steve emphasises. "Beginners go out in groups of five accompanied by three instructors who observe them very closely. Anyone who is unhappy is brought to the surface quickly and receives one-to-one attention."

Fifty-two per cent of turnover is taken in July and August. "We would like to extend the season, which lasts for about seven months in Icmeler and about

**'The first month we had just enough money to pay the crew'**

"Last year, our turnover passed £1m, making us the second biggest taxpayer in Fethiye," says Alf. "During our first season we had about 2,000 customers. Last year, we had nearly 25,000."

Large amounts of capital are tied up in equipment. The busi-

Rosenkrantz and Macduff, who are at Columbia University in New York, know how many beans make five. In fact, they can do a lot better than that. They have passed a series of practical tests that show they can distinguish the more numerous of two groups of objects containing up to nine objects of any type.

There are not many universities where such meagre numerical abilities would be considered remarkable. Even so, the test results made headlines around the world when they were published by Elizabeth Brannon and Herbert Terrace of Columbia's psychology department. The reason is that Rosenkrantz and Macduff are not students; they are rhesus monkeys. The tests show that monkeys have an innate sense of number which has several features in common with our own.

Psychologists have been interested in - and sceptical about - the mathematical abilities of animals for decades. The celebrated case

of "Clever Hans", a horse in turn-of-the-century Germany that appeared to be able to solve complex arithmetic problems, tapping out the answers with his hoof, has made them wary.

Hans turned out to be responding to signals given - probably unconsciously - by his trainer. When the trainer was fooled by someone giving him a different problem from that given to Hans, the horse always answered the trainer's problem, indicating he was probably able to sense his trainer's excitement as the number of hoof taps approached what the trainer thought was the correct answer.

The tests on Rosenkrantz and Macduff were carried out in ways that make such

cheating extremely unlikely. Psychologists such as Norman Freeman of Bristol University are impressed with the results. The testing was done by a computer, which eliminates possible influences of the expectations of the experimenters, and the ingenious design of the tests allowed the monkeys to demonstrate a genuine numerical ability.

They were trained to touch different parts of a screen, showing groups of one, two, three or four objects, in numerical order. They were then tested using groups of up to nine objects. Even when presented with groups containing numbers they had not been trained on and objects they had never seen before, they scored well on the task of touching the



groups in ascending order of numerosity. "We have known for some time that animals can respond differently to different numerosities, but this shows that they know that one number is bigger than another," Freeman says.

scale, an idea known as the "accumulator model". Registering a number on the scale is slightly imprecise, so errors in comparing two numbers are likely if they are close together, but not if they are far apart.

Curiously, a similar pattern of errors occurs even when adult humans are asked which of two written-down numbers is the larger, suggesting that whenever we think about the size of numbers we tend to use our internal accumulator, even though we can put a symbol and a name to the exact number.

Rosenkrantz and Macduff cannot speak, so naming numbers is not an option for them. Even so their abilities are superior to any shown so far in human infants. One of

the most fundamental abilities shown by infants is that they expect numbers to stay the same. Even six-month-old babies will show surprise if two puppets walk behind a screen and only one is revealed when the screen is removed. Similarly, they will be surprised if there is an extra puppet behind it.

However, although they can tell that two numbers are different, there is no evidence that infants can understand which of two numbers is larger. The fact that the monkeys can do this explodes the myth that language, particularly the ability to name numbers, is a prerequisite for learning anything about what numbers mean.

Once they have learned to speak, children quickly go

further than the monkeys and learn to use numbers in ways that cannot be explained by the accumulator model. The mathematical principle known as cardinal extension or abstraction - knowing that if you have seven policemen each carrying a truncheon and a pair of handcuffs then you must also have seven truncheons and seven pairs of handcuffs - is within the reach of 50 per cent of three-year-olds.

When Catherine Sophon of Hawaii University, told children a story about a party, each in his own boat, half the children were subsequently able to use the number of boats moored outside the party to calculate the number of frogs inside.

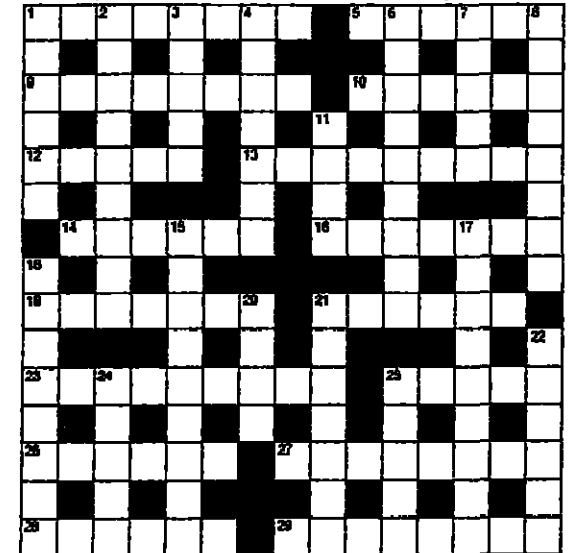
Monkeys have not passed a test of the abstraction principle, but they have not failed one either. And if a test that did not depend on language could be devised, it would be reluctant to bet against their passing it.

■ The author is professor of psychology at the University of Nottingham.

## CROSSWORD

No. 9,833 Set by CINCINNUS

The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Ecra Kid Finish Paper from Crane & Co will be awarded for the first three correct solutions received. Solutions to Wednesday's crossword are on page 2. No. 9,833 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 1HL. Solution on Saturday November 21.



Name: \_\_\_\_\_ Address: \_\_\_\_\_

WINNERS 9,831: W.S. Bainbridge, Ashurst Wood, W. Sussex; E.S. Baker, Yale, Bristol; J.M. Constance, Downend, Bristol.

Crane's Moving Services

## BRIDGE

When Negative Doubles were first introduced, rubber playing sceptics feared that the loss of the penalty double would be catastrophic. However, they almost never prevent a successful penalty and, as here, can spring a trap to great effect.

**N**  
 ♠ 9  
 ♥ AKQ85  
 ♦ AJ4  
 ♣ J952

**E**  
 ♠ K102  
 ♥ 76  
 ♦ Q86  
 ♣ KQ10763

**S**  
 ♠ AJ84  
 ♥ 32  
 ♦ 97532  
 ♣ A8

Dealer: N Game All

North East South West  
 1H 3C Db1 NB  
 1H NB

South's double is Negative, ostensibly promising four spades. Quite what South would bid without using a Negative Double is difficult to predict: the choice seems to lie between an elegant 2D response and a pusillanimous pass.

Naturally, South did not double expecting his partner to pass, but North understood a crucial role in com-

petitive bidding: the moment the hand appears to be misfitting, you want to defend. He took the view that, even if his side held an eight-card fit in hearts, his singleton spade, strongly suggested that defence would prove more lucrative - and so it was.

South led 3♥ to North's Q♥, whose singleton spade came back to South's A♠. South led a second spade which North ruffed. K♥ was cashed, and Q♥ led, East ruffing with Q♠, and South overruffing with A♠. A third spade was led and ruffed by North, who cashed A♦, and led a fourth heart. This had the effect of uppercutting one of North's two remaining trumps. If East ruffed high, he would promote North's ♠9 into another trick; if he ruffed low, South would overruff with 8♠. East ended up three down for a penalty of 800, on a hand where North-South could not make game.

**Paul Mendelson**  
 ■ Paul Mendelson's book, *The Bidding Battle*, is published by Coll Books at £3.95. For a copy (free UK p.p.), send cheque payable to FT Bookshop, 250 Western Avenue, London W3 6BE, or call 0181-324 5511.

## CHESS

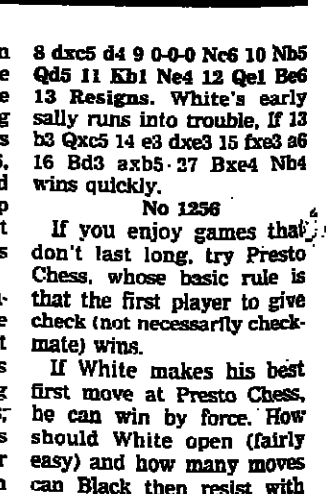
Though England women finished only 20th at the Elista Olympiad, their future prospects of a high placing look bright. In the previous Olympiad at Erevan 1996, England beat China and drew with Georgia, the top two in women's chess; fast improving young players promise better to come.

Much credit is due to Duncan Lawrie, the private bankers whose support ensures England's teams have more generous backing than other western nations; and to the captain Chris Ward, a strong grandmaster who inspires the best from his players.

Harriet Hunt, a 20-year-old Cambridge student, was again the top performer with 9/12 and an individual bronze medal. Hunt has totalled 67 per cent for England since 1996, a result surpassed only by Matthew Sadler among the men.

The women's game is dominated by the eastern bloc and China, but Hunt ranks second to Sweden's Pia Cramling among western-born players and can become a serious world championship contender.

A 4NCL miniature (A Morozov v J Levitt): 1 d4 Nf6 2 Bg5 g6 3 Nc3 d5 4 Qd2 Bg7 5 Bb6 0-0 6 b4 c5 7 Bxg7 Kxg7



best play on both sides (harder?)

■ In last week's puzzle, the WK was misprinted as a queen.

Solution, Back Page

Leonard Barden

Oldest member a sharp on the fa

Harriet Hunt, grandee talks to Philip Gawth and

H

Minimum was

enough, but

it was

a thug

wasn't he?

Minimum was

enough, but

it was

a thug

wasn't he?

Minimum was

enough, but

it was

a thug

wasn't he?

Minimum was

enough, but

it was

a thug

wasn't he?

Minimum was

enough, but

it was

a thug



PERSPECTIVES

Reminiscences with the FT

# Oldest club member keeps a sharp eye on the fairway

Harry Oppenheimer, grandee of Anglo American, talks to Philip Gawith and Michael Holman

He has the demeanour of the Oldest Member of P.G. Wodehouse's legendary golf club, diffident and self-deprecating, but clearly delighted to have been consulted about the pin placings for a particularly successful tournament.

In fact, the courteous, bright-eyed gentleman behind the desk of his London office, head quizzically cocked, is one of the world's wealthiest men, and he is talking about what is perhaps the most momentous event in the 51-year history of the \$10bn family firm.

"I'm pleased about it... but I really played no part at all, except that I like vaguely to know what's going on, and my colleagues are very kind to tell me, more or less," says Harry Oppenheimer, who turned 90 last week.

A few days earlier, Anglo American, the company which towers over the South African economy, had announced plans to merge with its offshore associate Minoro, and to relocate from Johannesburg to the City of London, and be listed as one of the top 100 stocks.

"We think, rightly or wrongly, that with the company being based in London, people will be more inclined to invest in South Africa."

It has been 16 years since the man they call HFO handed over the reins at Anglo. Today he likes to give the impression of an elderly uncle allowed to potter around the business provided he does not get in the way.

"I go to the office, not for very long, meet my colleagues in the passage, and they are very nice to me."

But Oppenheimer is

no doddery old buffer. Every now and then the self-effacing manner drops, revealing a man used to being listened to, and who still presides, ultimately, over a vast family business empire.

Through Anglo and its associates, De Beers and Minorco, it controls the world diamond industry, is the largest gold and platinum producer, and much else besides.

The day-to-day running of the business is firmly in the hands of the current chairman, Julian Ogilvie Thompson. But although he retired formally from Anglo in 1982, and from De Beers in 1984,

very good thing for South Africa.

"Certainly if we have a better position by what we've done, I think we owe it to them to use it the best we can, to benefit South Africa more rapidly than we would have been able to do otherwise."

He then adds, with all the authority of the company's largest investor and its guiding spirit: "We are certainly going to think that way."

The sentiments, of course, are not what you hear from your average FTSE 100 company chairman, but then Anglo is no ordinary company. Its sheer size has brought an inescapable political dimension to its activities.

Indeed, Oppenheimer justifies his own stint in politics - he was a member of parliament for the United party from 1948 to 1968 - as almost a necessary part of the business apprenticeship.

"I hope it [Anglo management] goes on being very concerned about the environment in which we operate. I've always rather pompously said the best way to make money for a group like ours is to make the money as a by-product of developing South Africa. I feel strongly about that. I hope it goes on."

A recent example of Anglo trying to "do the right thing" was its attempt to put JCI, the mining house, into the hands of black South Africans. A combination of bad luck (the slump in the gold price) and bad management saw this exercise fall well short of expectations. JCI still has significant black shareholders, but it is a pale shadow of the company it was.

Oppenheimer is unfazed about this and other black empowerment setbacks: "It

was vital to make it possible for black people to control some of the big companies in South Africa."

"It was the right thing to do - part of a necessary response to the efforts for peace made by Mandela and his colleagues. You felt business had to match their efforts. We had to play our part too in making it a peaceful united country."

One subject on which he is emphatic is the crucial cross-holdings between Anglo and De Beers. Together with the family's own stake, this confers control over both companies.

It is an arrangement the City will not like, but Oppenheimer says he cannot imagine them as separate vehicles - though he adds the caveat: "You can't tell what's going to happen in the future."

He explains the relationship: "When I was chairman of De Beers [1957-84], in order to run the diamond business in the way we wanted, it was vital to have



Harry Oppenheimer: 'I like vaguely to know what's going on, and my colleagues are very kind to tell me, more or less'

Jason Orton

big interests outside of diamonds in bad times. You couldn't run [it] unless you had substantial interests outside diamonds."

"You could have said De Beers must have a great department to invest money itself but it really wasn't sensible to do that. We were closely associated with Anglo, my father was chairman of both companies, and it seemed only sensible that Anglo American would look after their interests outside of diamonds."

The conversation turns to African leaders he has met. Mobutu Sese Seko, late president of Zaïre (now Congo), "was agreeable

enough, but he was a thug. Wasn't he? I remember lunching with him in his palace in Kinshasa. Behind you was a huge cage, extremely smelly, filled with leopards."

Robert Mugabe, Zimbabwe's leader, is "very clever and very articulate... I think still a communist". Tanzania's former president, Julius Nyerere, however, is "a very attractive fellow. He was in the habit of reading Shakespeare."

Malawi's Hastings Banda, who defied fellow African leaders by paying a state visit to South Africa in 1971, "had a genius for public relations."

"I remember him coming

to Johannesburg, and his car stopped at a traffic block. In a second he was outside the car with a white child under one arm and a black one under the other. That was when Vorster was prime minister."

And what of President Nelson Mandela?

"We owe an immense amount to him. If it hadn't been for Mandela, we would not have had the peaceful transition," adding: "Of course, when it comes to the practical day-to-day running of the country, I don't think that 27 years in prison is a very good introduction to that."

Has South Africa's transi-

tion gone as well as he had hoped?

"Much better."

He goes on to tell the story of a trip to Russia, where he asked his young guide whether she thought things were better than they were.

"No," she said, "they are very much worse." So I asked if she wanted to go back to the old days.

"Not at all," she replied. "In the past, they could only get worse. Now they can only get better."

The Oldest Member chuckles at the recollection.

"I thought that this was a very clever saying from one so young. I certainly apply it to my own country."

Joe Rogaly

## No blame, no shame, no calling by a nasty name

Liberation has benefited society on both sides of the Atlantic



Britain and America are front-runners in the lip-licking, finger-pointing, tongue-wagging stakes. Our print and electronic media probe without mercy into the private lives of public figures, as the well-known cases of you-know-who and you-know-who remind us.

Some authors seek scandal among the dead. We have all read material that might destroy reputations. Recently scarred ghosts include those of Gladstone, Lewis Carroll, Arthur Koestler, Diana, Princess of Wales.

Happily, prurience ain't what it used to be. It is losing its capacity to wound or destroy. Slowly, painfully, Anglo-American society is freeing itself of shame. We are less likely to blush than at any time since Eve bit the apple.

Our fig-leaves may flutter in the wind. We stand motionless, exposed but not seriously discomfited. We accept our animal instincts, allow for human variations, see our social universe as a moral void. Liberating, eh?

Of course it is. Barely a generation ago sexual relations between males was illegal. More to the point, such practices were socially unacceptable.

Gay men felt obliged to maintain the fiction that their nature was "normal" - that is, that women alone could arouse their passions. In most rich western countries, this pretence is no lon-

ger necessary, although there is heated argument about the age of consent.

The practice of "outing" - pointing at particular individuals and calling them gay - has always seemed to me to be unkind. Today it is merely impertinent. Where there is no embarrassment, either felt or perceived, there can be no cruelty.

I say this in spite of the contrary evidence in the case of Ron Davies, who resigned from the British government after an incident in a gay pick-up corner of a London park. Mr Davies clearly felt deep shame, too much to allow of detailed explanations. His pain must have been nearly unbearable; his continuing torture by media is indefensible.

Such individual examples do not outweigh my general thesis. One member of the same government "outed" himself long ago, another appears relaxed about being named. We will be truly civilised when nobody asks, nobody cares.

The absence of shame is also transforming women's lives. Some of us can remember when divorce was regarded as a transgression, an admission of failure. Unmarried girls who became pregnant felt scared, humiliated. Their offspring, denoted bastards, were ill-starred for life.

All that is changing, although not entirely for the better. Britain is a world leader in divorce and the rate of pregnancy among single teenagers. It is no longer customary for unmarried couples to register as "Mr and Mrs Smith"

when booking hotel rooms. This is a welcome improvement. Women may pursue their romantic inclinations as they please, openly, and without fear of being called unpleasant names.

We are all aware of these huge changes in society. They are the product of many factors, the most potent being the decline of religious observance and the arrival of the contraceptive pill. Yet, curiously, the media and some politicians in Britain and the US behave as if nothing has happened.

I made the same mistake when I suggested, in the week of the Starr report, that Bill Clinton would be laughed out of the White House. In this week's elections, American voters ignored the president's minutely described acts of adultery and voted in greater than expected numbers for his party.

In the same week, Britain's Labour government declared itself in favour of the traditional husband-wife-kids family while yet respectful of single parents. Naturally, it cast no aspersions on same-gender liaisons. It was a typical Labour document. For every potential voter, a paragraph, for every possible straggler, a clause.

This muddled consultative paper on family policy is clear in one important respect. It declines to use the language of judgment. No blame, no shame, no calling by a nasty name. We should be grateful.

The modern democratic state has no role as an arbiter of sexual morality. This is acknowledged in most parts of the British polity and large parts of US society. The moral majority is becoming a sanctimonious minority.

Everywhere people are unshackling themselves, seeking the freedom to gambol and frolic as they please, without fear of loss of reputation. Shame can be hand-cuffs and leg-irons to an otherwise free spirit. It will not be missed.

Or will it? The behaviour that shame formerly constrained is not cost-free. We know the wages of what we once called sin. Aids kills. Adultery hurts. Broken partnerships leave children bewildered. Shame, and its fellow-traveller, guilt, may have been harsh masters but they at least set boundaries on otherwise reckless individual behaviour.

This last sentiment is not one I share. Shame and guilt do have a place within the human soul, but we should be careful to define what that is.

Perhaps we should blush to be found unkind. If that was the rule the cheeks of many media folk would be permanently red. Some of us would cringe with embarrassment if we were caught in a seriously dishonest or deceitful act. If so, many politicians would be ever trying to hide their flushed faces.

You might add that directors who pay themselves many times their worth should be pelted with marshmallows, but forget it. There is no shaming the shameless.

**TRAVELLER II**

Alarm  
Automatic  
Double time zone

**GP  
GIRARD-PERREGAUX**

For further informations:  
GIRARD-PERREGAUX • 1, place Girardet • CH-2301 La Chaux-de-Fonds  
Tel: (+41)32 911 33 33 • Fax: (+41)32 913 04 80 • E-mail: com@girard-perregaux.ch



## PERSPECTIVES



GARY WING

## Everything's going their way

Colombia's guerrilla army, larger than ever, has promised to talk. Adam Thomson reports

There is no police force or army in Puerto Betania. But Jorge Bastillas, president of the village community action group, knows where to turn if there is a problem.

In the absence of virtually any state authority, the Revolutionary Armed Forces of Colombia (Farc), Latin America's oldest Marxist guerrilla group, has become the local surrogate police force, judicial system and government, all in one.

Every day, Farc patrols pass through the malarial settlement on the banks of the Caguan River, in southern Colombia. The heavily armed rebels - mostly teenagers - stand on street corners and share jokes with local shop owners. About a third are girls, dressed in jungle-combat uniforms teamed with the latest Israeli-made assault rifles. Many of them appear more concerned with the colour of their nail varnish than with the class struggle.

"They are the only authority we have around here," said Bastillas, eying a group of adolescents, strapped with grenades.

Farc plays an important role in the area. It resolves local disputes, organises infrastructure projects through forced community labour, and protects the environment. Three months ago, the local Farc commander indefinitely suspended fishing along the Caguan River in an attempt to replenish depleted fish stocks.

It also imports its own brand of justice. Six weeks ago, Farc members passed sentence on a villager accused of stealing cattle. On the first occasion, the group gave him a warning. The second time, he was executed.

Farc has dominated the southern departments of Colombia for years. And while Latin America's other left-wing guerrilla movements have all but disappeared, Farc is now stronger than at any time in its 34-year history. Today, the rebels have 60 active fronts compared with 20 years ago. Its 15,000-strong army controls two-fifths of Colombia, a country twice the size of France.

But now the rebels say they are prepared to discuss peace with Colombia's newly elected Conservative government. This morning, the last of the country's troops and police officers in five southern municipalities are due to abandon their positions as part of President Andres Pastrana's concession to guerrillas. He hopes demilitarising an area larger than Switzerland will encourage the peace talks.

It is a big gamble. The state troops are scheduled to be withdrawn for three months but few doubt their absence could last for months, even years. Pastrana insists it is necessary if ways of ending a conflict which has cost thousands of lives and at least two percentage points of GDP growth a year are to be explored.

"The army is not capable of defeating the guerrillas and the guerrillas are not capable of defeating the army," the president said recently. "We must look for different mechanisms to bring about peace."

For many of the 100,000 residents, the demilitarisation will make little difference. In Santa Rosa, 20 minutes from Puerto Betania by speed boat, locals - such as those in most of rural southern Colombia - have learned to live with guerrillas.

Uniformed Farc members often hitch a ride upriver on the daily speedboat service. They hand their rifles to the seated passengers while they climb aboard. Then they chat with them.

shouting to make themselves heard over salsa music blasting out from the boat's speakers. In the municipalities' capitals, the guerrillas have never had any formal presence, however, and the prospect of demilitarisation is worrying residents.

There are many doubts about the demilitarisation and so far there have been few answers," says Luis Antonio Serrano, governor of Caqueta province, where one of the municipalities is located. "What happens, for example, if there is a dispute between two civilians? Who resolves it?"

There is also the fear that the country's right-wing paramilitary groups, in response to the guerrilla armies, may try to penetrate the demilitarised areas and sabotage the peace process.

For Pastrana, however, the five municipalities will become "peace laboratories", where preliminary talks between the government and Farc leaders will aim to set out an agenda.

Farc says it wants more social investment in rural areas, political reform, a redefinition of the country's natural resources policy - particularly with regard to oil exploration and the role of

foreign multinationals in Colombia - and a scaling down of the country's armed forces. But many observers and civilians are not optimistic. Alfredo Rangel, a political scientist at Fundación Social, the Bogotá-based, non-governmental organisation, believes the peace process is laced with hidden agendas: "Farc has set out a minimal series of points but as the talks progress, they are likely to demand ever bolder concessions from government." Nor has Farc made any reference to ceasing hostilities during the talks, or to laying down weapons in the event of peace.

In fact, Farc is growing in military strength. Last weekend, approximately 700 Farc troops stormed the town of Miró, near the Brazilian border, in the worst ever defeat of the national police. Using bombs mounted on the backs of mules, it killed 130 soldiers and policemen, and kidnapped a further 45, according to unofficial figures. The attack also left about 30 civilians dead.

The guerrillas have traditionally funded their war with the state through extortion and kidnapping. Wealthy families in the countryside pay the guerrillas a regular "vacante", a fee to stay alive.

But during the past few years, Farc has become increasingly involved in the country's multi-billion-dollar-a-year drugs trade. Regional guerrilla commanders levy "taxes" on the middlemen who buy the cocaine base from peasant producers. They also offer to protect illicit crops and processing laboratories.

The mixture of its activities has turned Farc into a highly organised business organisation. Officially, Colombian authorities estimate total guerrilla income -

including that of the much smaller group, National Liberation Army with 5,000 armed members - at \$2m a day. The US Drug Enforcement Agency says the figure could be as high as \$1bn a year.

The new-found wealth has led to a change in the group's rank and file make-up. Where politicised peasants and leftist students once stood, there are now largely out-of-work farm hands and youths whose prime motivation is a stable income.

Yet at the top of Farc's highly vertical line of command, there has been little change. Pedro Antonio Marin - originally a small-time businessman - has led the group since he founded it in 1984. Together with 14 of his cousins, he took up arms against the small elite of Liberal and Conservative politicians after they signed a power-sharing agreement in the 1980s.

The pact ended a period of inter-party bloodshed, which left more than 300,000 dead. But for Marin, 68, it also consolidated a concentration of power which forms the basis of Colombia's deep-rooted inequalities.

Today, everything is going Farc's way. The government is listening to its demands and has already made concessions. Farc has not yet had to make any. Demilitarisation of the five municipalities is virtually guaranteed to help consolidate the guerrillas' control of large areas in the south of the country. While that happens, its members can enjoy the political status the government recently granted.

And last month, several members of Congress invited Marin to outline Farc's position to parliament. "I will go, but only in military attire because I am the leader of an army," he replied.

### On the first occasion, the group gave a cattle thief a warning. The second time, he was executed

Home Truths / John Willman

## Dirty linen washed in public

ond-hand car prices in *Exchange & Mart* while agonising over whether Nato should send ground troops into Kosovo.

A gripping new book by a French sociologist, *Dirty Linen: Couples and Their Laundry* (Midwest University Press, £14.95), sets out to look at how this division of labour perpetuates itself in societies which claim to promote sexual equality. Jean-Claude Kaufmann, who teaches at the Sorbonne in Paris, finds it comes down to a simple truth: men are no good at housework, and women can't bear to see it done badly.

Most women could probably tell you that without wading through 212 pages of sociological jargon, but interspersed among the ethnomethodology and psychoanalysis are 20 wonderful case studies, which actually spell out the way chaps enslave their chaperones.

Take Amélie and Daniel Mandandis, who own a bar and have two children. When they

first married, Amélie worked in the business and Daniel tried his hand at domestic chores. He soon discovered Amélie took housework more seriously than he did and began to harp on about how boring it was. She gradually did more in the home: "Somebody's got to do it, otherwise everything just piles up," she says. Daniel now does nothing, justifying this by saying he takes sole charge of the business.

Salesman Didier Shimmer believes he should do half the domestic chores, but as Kaufmann puts it, inhabits a "totally different universe" from his wife Valerie when it comes to tidying. She would like him to help more, but he rarely manages to remember the few things she expects him to do.

Vincent Tatonier is away all week so leaves all the housework and childcare to Hélène who holds down a full-time secretarial job. She does the housework to fanatically high standards for the satisfaction of seeing a job well

done - but also for him, even though he is oblivious to her efforts.

There's Bruno Labarthe who has had to be persuaded by Nadia not to leave old chicken bones under his bed. Eliane Vilken boosts

underwear or where to buy it. And student Pascal Richer-Martin copes with Ninette's demands for equal sharing by slipping home to mother at the weekend to get his laundry done.

As Kaufmann puts it, the laundry talks for itself, the arrangements for the household washing are a good indicator of the state of a relationship. Two people can decide to live together without forming a couple, but the commitment becomes real when they buy a washing machine.

A few couples struggle against assimilation even then - washing their own kit in separate loads. Sooner or later the economies involved in one full load over two half-empty wash cycles become irresistible and the dirty linen is co-mingled.

What follows often represents prolonged trench war, with little chance of peace. The stalemate is broken only by irritable outbursts from the wife, who ends up doing most of the housework against her better judgment. The

self-esteem of husband Yves by boasting of his two or three specialities - including the barbecue, which Kaufmann says "inevitably" dropped up during his research.

Romain Brastignac's ignorance of domesticity was such when he moved in with Sabine that he did not know the make or size of his

husband's normal responses is injured defensiveness that his contribution is insufficiently recognised, with some justice, given that the men in the UK survey spent nearly an hour and a half longer at work bringing home the bacon.

Some women decide they prefer the traditional approach. Thérèse Pérez has convinced herself she loves doing housework - except when hubby Fernand immediately crumples the trousers she has just so lovingly ironed. One woman in the study is quoted as saying she became "inflamed with passion" by the touch of a dishcloth.

Such rationalisations are simply attempts to reconcile two contradictory pulls on housewives, according to Kaufmann. Western thinking is dominated by the idea of sexual equality yet men and women are still slaves to a division of labour with deep cultural and historical roots.

As a sociologist, Kaufmann is

## Networking with a difference

An inventor needs cool nerves and a place to dream, says Roger Taylor

For an inventor, Brent Townshend is sadly lacking in eccentricity and displays a disappointingly level-headed grasp of finance - a fact illustrated by his success in cutting a multi-million dollar deal with 3Com, the leading computer networking company.

In jeans and a polo shirt, leaning back in his tatty office near Palo Alto, California, he looks much like any other Silicon Valley computer geek. But he does not work for Intel or Sun Microsystems or any other of the local technology giants.

Nor is he one of the hundreds of people trying to start up a new company. Instead, Townshend finds that the only time he can think is at home, so from 9pm to 1am every day he sits at his computer and invents things.

His aim, he says, is to be able to work for himself but without the administrative hassle. "The bit I enjoy is just the ideas. It's a headache organising sales and distribution," he explains.

Townshend was lucky in that his inventing career got off to a good start. His first project - a complex audio conversion product used in research labs - provided him with an income.

Being a successful inventor today is not easy when large corporations with multi-million pound budgets are using the latest high-tech equipment to explore the most exciting areas. Independent inventors have tended to be sidelined into what, at best, could be described as low-tech fringe markets - the intelligent wine rack or the umbrella lit by a lightbulb underneath, for instance.

Some of Townshend's technology has a little of this feel about it; he developed a system for turning documents, such as high school diplomas, into unforgeable bar codes.

However, last month he hit the big time with a patent on the technology used in the 56K modem - a device that has become the new standard for connecting personal computers to the internet. With this patent, Townshend is claiming to have beaten the big corporations to the prize.

Last month, just as the latest 56K modems were filling high street shelves, Townshend and 3Com, which has licensed his technology, confirmed that they would charge \$1.25 on every new modem made.

Other modem manufacturers are none too happy about this. Lucent Technologies, for example, whose Bell Laboratories division once employed Townshend, disputes the claim that all 56K modems are covered by his patents. It says its products are based on its own technology and insists it does not have to pay Townshend or 3Com a cent.

But Townshend remains confident of the strength of his claim, and is eloquent in explaining his ideas.

Until recently, he says, it could be proven mathematically that a telephone line connected to a modem could not carry data faster than 33.6 kilobits per second given the level of noise and interference. Townshend was not thinking about computer modems, but about how to send quality music on CDs to people's telephones, when he spotted two flaws in this argument. First, it assumed data had to go both ways. For his music idea, and for most internet users, almost all

the data is going one way. Second, the noise level on telephone lines is not the limiting factor it once appeared to be. When telephone companies switched from using analogue to digital equipment - the technology behind touch-tone phones - the level of noise on telephone lines was unchanged. However, whereas in the past the noise level had been random, with digital technology it became constant and predictable. When you now connect your computer to the internet, the string of pips and squeaks you hear is the computer testing the line, establishing the noise level and then discounting it. In order to send data at speeds previously thought unattainable.

A pleasing thing about the two steps that led Townshend to his invention is that they did not require great effort or experimentation. They simply required a fresh perspective.

Townshend believes this is one advantage of working on his own. Commercial researchers, he says, can be asked to focus on one area even after they have run out of enthusiasm. In

contrast, he is free to pursue his interests in the most productive direction.

His existing project, a system for testing people's grasp of spoken English, reflects this lateral thinking. Computers' ability to understand speech is very limited; they cannot cope with the wide variety of styles of speech and pronunciation. Machines can understand different accents if they know advance what you are going to say - but what's the point of building a machine that recognises speech if it already knows what you are going to say?

Townshend has come up with a possible use. Recruiters in the US and elsewhere are often keen to check that job applicants have adequate English language skills. This is a tricky area, in which companies can open themselves up to attacks of racial bias.

The system Townshend is developing can tell the difference between good and bad English speakers by asking them to repeat sentences - but which can also be proven to have no ethnic bias in its judgments.

He has other projects on the go as well, such as a way to block junk e-mail, but complains that too much of his time is still being taken up with the modem wrangles, even though he has handed over most of the task of fighting his corner to 3Com.

However, he does not seem overly concerned at the prospect of a drawn-out legal battle over just how much money he is entitled to. He says he has driven the same car for the past few years, he enjoys lecturing part-time at Stanford University, and has a wife and two children to go home to.

Each day he goes to his office and deals with admin. And each evening he is free to sit at his computer and dream up new machines.

duty-bound to rely on social concepts such as culture. But he shows willing in venturing on to less familiar ground with the racy observation that there is something "profoundly feminine" about housework which draws women to slip on an apron. Even when single, for example, the two genders have a very different attitude to laundry: 88 per cent of men do their own washing compared with 50 per cent of women; 44 per cent of men iron against 57 per cent of women.

Perhaps the insights of evolutionary psychology have something to contribute to this conundrum. In FT Weekend recently, Kingsley Browne argued that fewer women reach the top in business because evolution over the millennia has bred men to be thrusting risk-takers and women to be caring mothers who avoid risk and aggression.

Successful females in evolutionary terms will have been those best able in earlier epochs to perpetuate their genes by ensuring the survival of their children. They will surely have been the women best able to nurture a healthy child using all the homemaking skills that men pathetically - and ultimately unsuccessfully - now say they are striving to acquire.

Southern cocktail fails to ignite

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley

Adam Hopley



BOOKS

# Southern cocktail fails to ignite

Tom Wolfe's first novel since 'Bonfire of the Vanities' is entertaining, but Adam Begley has strong reservations

**R**ead by the still-blazing light of *Bonfire of the Vanities*, the pages of most contemporary novels look pale and blotted by failure. Tom Wolfe's first novel, published in 1987, pegged perfectly the shallow greed and puffed-up ego of the 1980s in New York. It ranks as one of that decade's top 10 bestsellers, and like the city so expertly skewered, it has lost none of its crackling energy.

A MAN IN FULL  
by Tom Wolfe  
Jonathan Cape £20  
328 pages

Wolfe's grandly entertaining new novel, *A Man in Full*, is all about "Southern Manhood" - not, perhaps, a promising topic, though the particular specimen under study, Charlie Croker, an Atlanta real estate developer on the brink of bankruptcy, is nearly as interesting as the upstart metropolis whose skyline he has helped shape. The unofficial capital of the New South, Atlanta is a pushy newcomer among the great American cities, a fine place for self-made men. In the background, volatile urban demographics: a black majority, largely poor; a shattered inner-city ghetto. The thriving white business community has staked out a lovely, leafy suburb; "edge cities" have popped up like mushrooms.

It's the cocktail we expect from Wolfe: municipal politics, the politics of race and gender (what's manhood without womanhood to admire it?), and money, yes, the slinky dollar. This time the heady concoction is poured out with just a trace of Southern languor. (Wolfe, now the consummate New Yorker, grew up in Richmond, Virginia.) Charlie Croker is 325 pounds of self-loving sexist bigot, a 60-year-old former Georgia Tech football star with a "mighty chest" and a curvaceous second wife less than half his age. Charlie knows better than to call the dozens of black employees on his 29,000-acre plantation "niggers" - but the word, taboo, unuttered, is often on the tip of his tongue. His

ideal is "a many world... in which there were masters and servants and everybody knew his place." He was clearly designed by the author to induce apoplexy in the politically correct.

Here's his problem: too many floors of Croker Concourse (Charlie is the first Atlanta developer to name a building after himself) stand empty. "Interest payments and repayment of principal have lagged," PlannersBank, owed \$515m (including \$180m Charlie is personally liable for), wants its pound of flesh. Wolfe invites us to assist at a "workout session," ostensibly a meeting to explore ways to restructure the loan, actually an exercise in humiliating the defaulter.

The "workout artists" grinds away at the debtor until the crescents of sweat beneath his armpits grow into halos, then expand and merge. "Saddlebags!" the bankers crow in triumph at the sight of Charlie's soaked shirt. This is business. This is male animals butting heads.

**W**olfe dangles before Charlie's desperate eyes a far-fetched solution to his debt dilemma. Fareek "the Cannon" Fanon, a magnificently insolent black Georgia Tech football star, native son of Atlanta's grimmest ghetto, may or may not have raped the daughter of Charlie's friend and fellow mogul, Imman Armholster. No charges have been filed, but rumours abound: "The Cannon was now a stick of dynamite." Eager to protect Atlanta's precarious racial calm and maintain the status quo, Wesley Dobbs Jordan, the city's super-slick black mayor, along with his college fraternity brother, Roger White II (nicknamed "Rogger" for his resemblance to Charlie from his creditors - on the condition that Charlie, a white football star from a bygone era, speaks up in Fareek's defense.

Will Charlie sign the Faustian pact? Will he betray his kind to save his fortune? (Not to worry, sev-

eral amusing subplots take up the slack.)

The goons and geeks from PlannersBank, the loutish Fareek, the shifty mayor, foppish Roger Too White - these are Wolfe's counter-specimens, manhood differently configured. Black and white, rich and poor makes zero difference. All men, to judge by this sample, are at bottom vain, boastful, weak-willed brutes. As if to underscore these findings, Wolfe takes us to prison, where a former employee of Croker Global Foods (Charlie's string of warehouses) observes the inmates' bestial behaviour and learns to love the writings of the Stoic philosopher, Epictetus.

What's the point of dragging Epictetus all the way to Atlanta? Wolfe is groping towards a philosophy of his own, which goes something

like this: life is brutally hard, fair and unfair are beside the point; ignore the prison house of the world, cultivate the soul, eschew compromise - but when the deal sours, hire a sharp lawyer. It's Stoicism with elements of Pragmatism tucked away in case of emergency.

**T**here are wonderful moments in *A Man in Full*. In lieu of the obligatory sex scene, so often a poorly disguised manifestation of the author's wish-fulfillment fantasy, Wolfe offers inspired horseplay, a stud mounting a mare in heat. "Beneath her bound tail was an astonishingly large, soft, moist, dark liverish crevice of flesh..." There's also a delectably horrid dinner party at which Charlie, trying to woo a busi-

nessman who happens to be Jewish and liberal, makes every kind of faux pas. And here's a lovely sample of Wolfe's clear-sighted prose: Roger White ogles a dancing girl whose belly button "looked like an eager little eye." But nowhere in the new novel does Wolfe unleash the outrageous energy that powered *Bonfire of the Vanities*. The exuberant malice is missing, and the verbal dazzle, the breakneck pace. He wrote about the 1980s as though he were inventing the era on the spot with his manic sentences and bull's-eye aphorisms.

Sherman McCoy, protagonist of *Bonfire of the Vanities*, was vile and low and yet somehow not irredeemable, and every last detail fitted like the finest pigskin glove. Charlie Croker is vile and low and yet somehow

not irredeemable - but the possibility of his redemption, even as engineered by Epictetus (magnificently implausible), leaves me cold.

Perhaps it's because the parts of his Southern Manhood don't cohere. Wolfe tells us that Charlie earned a Purple Heart and the Bronze Star in "the early years of the war in Vietnam." I don't believe it. And my concern for his fate, never exactly acute, dwindles.

Take away Charlie and what's left? Atlanta's murky politics? Its nagging sense of cultural inferiority? The city's art lovers, who flock to the High Museum on Peachtree Street, hang on the every word of a New York Times critic named Hudson Braun - a nice touch, that. Okay, Atlantans worry that they're only yokels. Are we very surprised?

His book, though, is not just for musicians. He deftly sketches the half Russian, half Welsh family: the poly-

mathic college kid; the musician inspired by Thomas Hardy and William Blake as well as the classical masters and jazz heroes; the professional performer who confessed that he loved to play all alone. And although there are descriptions of innumerable recording dates and live performances, they are there to build up a picture of dedication.

Evans chosen means for the last 25 years of his life, when he played constantly all over the world, was the piano trio. Always it was a trio which subordinated technique to feeling. Ideally, a trio in which the traditional ideas of lead and support were broken down - three people improvising as

BILL EVANS: HOW MY HEART SINGS  
by Peter Pettinger  
Yale University Press £19.95  
346 pages

one. The first time he broke through to this level, in the company of La Faro and the great drummer Paul Motian, was captured on record at the Village Vanguard club in New York in 1961. The performances are still utterly compelling. After La Faro's death, part of the mission was to take a trio on the road which would reproduce that kind of interaction. He succeeded more often than expected, though the thought of what might have been if the first trio had kept working still lingered.

Finally, after literally dozens of other bass and drums combinations, his final trio became a true match for the 1961 group. They, too, went out to perform, although all three knew that the pianist was at death's door.

Other writers have said more about Evans the serial drug abuser. Pettinger tends to give the bare details. He comments when the drugs affected the music directly - as when the pianist spent a week playing a club engagement left-handed, his right hand numb from a needle injury, but is otherwise reticent. This makes the book's closing pages all the more poignant.

Evans knew he was making rare music, could not wait to get on stage with his two brilliant young companions. Yet he could not bring himself to do anything to arrest his obvious physical decline. Music had been everything to him, but in the end was not enough by itself to keep him alive. He died a little after his 50th birthday. His slow public suicide fits his own black joke about a record company boss who evaded bankruptcy by having a heart attack: "I figure he must have died in self-defense."



# Haunted by the blues

Jon Turney reviews the life of a brilliant but self-destructive jazz pianist

**S**oft, floating piano chords. The simplest background on the bass. Sounds familiar. A plaintive three note phrase from a muted trumpet clinches it.

Blue in Green. The epitome of cool. Miles Davis, of course. Bill Evans, actually. Although the nominal leader confused matters by copy-righting the melody, the line came from a pianist who brought a new touch to jazz. It is, as Peter Pettinger says in his fine biography of the most influential piano improviser of the last 50 years, haunting and ageless.

The same could be said of much of the rest of Evans' output, some 164 recordings before his death in 1980. And there is something haunting, too, about the life. An introverted, not to say introverted man, dedicated to a music in which extroverts loom large. A player whose art depended heavily on the qualities of sound he could coax from a piano, but who spent much of his time working inadequate instruments in noisy clubs. And, in the end, an impulse toward self-destruction which overcame his astonishing urge to create.

At a solo recording session in the early 1960s, Evans played three tunes: "Why was I born?", "What kind of fool am I?", and "Everything Happens to Me". And it would be easy to make his biography a standard jazz life - the tortured soul, the personal tragedies, the drugs, reaching the heights only to plumb the depths. The call from Miles was a white boy's dream, but Miles' drummer, Philly Joe Jones, turned Evans on to heroin. A great musical love affair with the young bassist Scott La Faro was cut short by La Faro's death in a car smash. A junkie girlfriend threw herself under a subway train. His beloved brother, beset by depression, shot himself. Evans, his spirit broken, went back on the road one more time, but substituted cocaine for food.

All true, but he was far from the stereotype jazz player, and this book is not the standard jazz life. In Pettinger, Evans finds a writer worthy of his music, a classical piano virtuoso and teacher who shows an extraordinary sympathy with the man who brought a classical sensibility to jazz piano. Evans said that a musician should be able to spend half an hour contemplating a single note. Pettinger can spend a whole page describing a single note of Evans, trying to answer the question, "how did he make it sing?"

His book, though, is not just for musicians. He deftly sketches the half Russian, half Welsh family: the poly-

**E**very 18 months, Lenin has a bath. He is lowered into a mixture of alcohol, water, glycerine and potassium acetate for two weeks. When he emerges, his skin is as supple as the day he died three quarters of a century ago.

Amid the turmoil of present day Russia, some of the rituals of the old Soviet empire survive. When Lenin died in 1924, his body was embalmed. It is still in its mausoleum in Moscow's Red Square, once visited by millions of Soviet citizens, now more of a tourist curiosity.

Professor Ilya Zbarsky worked in the special embalming laboratory at the Lenin mausoleum for 18 years. His tale is a fascinat-

LENIN'S EMBALMERS  
by Ilya Zbarsky and Samuel Hutchinson  
Harvill £12.99, 207 pages

ing one, full of macabre detail, set against the terrifying backdrop of the Stalin years. Included in the book are several previously unseen photos - one of a wild-eyed Lenin shortly before his death.

Lenin himself did not express any wish to be glorified in death. His widow spoke strongly against monuments in his name. Trotsky and other political members were opposed, but Stalin, taking on the mantle of Lenin, decided to initiate a personality cult. "The committee for the immortalisation of Lenin's memory" was formed.

# In the spirit of immortalisation

Kieran Cooke describes the macabre goings-on in the Lenin mausoleum

At first Stalin's henchmen wanted to refrigerate the body. The cream of the USSR's biochemists, including Zbarsky's father, nervously disagreed. There were lengthy discussions about double glazing, condensation and the lighting to be installed in the sarcophagus. Stalin ordered that Lenin's brain be extracted: researchers were charged with demonstrating that the father of the revolution had been a genius.

Lenin's body was immersed in more or less the same cocktail of chemicals it is bathed in today. Decaying skin tissue was restored. "Stitches were inserted under the dead man's moustache to close the lips. False eyes replaced the real ones to prevent the sockets from becoming too sunken; then the eyelids were closed again and sewn in place."

It was a tense business. One slip up and the embalmer would be given, at the very least, one way tickets to Siberia. To relax, the scientists indulged in a drinking session with the help of 96 degree proof alcohol: the degree proof alcohol: the spirit was part of a consignment used for embalming Lenin's corpse.

Zbarsky, now 85, first



Well-pickled: Lenin in 1997

entered the mausoleum in 1934. "The preservation process involved, first of all, removing Lenin's jacket and trousers, which were kept in place with laces tied behind the back. As I moved the arms I could tell from the touch of the skin, which was yellowish-white in colour, that it had retained its natural elasticity. I found the sensation disagreeable."

During the second world war, Lenin's by now well-pickled body was removed

for safekeeping to western Siberia. Zbarsky and his father were in attendance. "We had no fixed hours, and spent most of our time making minor repairs to the corpse."

Later, Soviet expertise in embalming was exported round the world: Soviet scientists flew to the jungles of North Vietnam to embalm the body of Ho Chi Minh. Bulgarian and Mongolian dictators were given the same treatment. Problems

arose when rebels cut the power supplying the air conditioning round the body of former president Neto of Angola. The body was saved by requisitioning a consignment of ice from a nearby ice cream factory.

Like hundreds of thousands of others, Zbarsky and his father eventually fell foul of Stalin and were removed from their work at the mausoleum. When the Soviet Union collapsed, staff and funding at Lenin's tomb were severely cut back.

Lenin's remains have become a political football. President Yeltsin says Lenin should be taken out of his sarcophagus and buried. Old communists are strongly opposed. One has threatened to shoot anyone who dares take Vladimir Illich away.

To augment its income, the mausoleum now specialises in providing embalming services for Russia's nouveau riches, many of them gangsters. Mafiae are laid out on the same grey marble slab which, in the early 1960s, was used for embalming Stalin. "Charges range from \$1,500 for a single day's work (for example when the head has not been smashed to a pulp by bullets) to \$10,000 for a whole week (if the whole body was blown to pieces by a bomb and has to be put together again)."

Professor Zbarsky shakes his head at the horror of it all. "The recent extension of the mausoleum laboratory's activities to cover the embalming of mafiosi strikes me as typical of the depth to which the authority of the government of Russia has sunk in the last few years."

## Sharpen your Competitive Edge

MACMILLAN Business

**e-shock**  
The electronic shopping revolution - strategies for retailers and manufacturers  
Michael de Kere-Silver

"This book will tell you whether your company is ready for virtual selling and how to proceed."  
Philip Kotler

**Consumer Behaviour in Asia**  
Heilmut Schütte with Deanna Carfante

How to market consumer products to the Asian market based on a new model of consumer behaviour.

**Plan to Win**  
A Definitive Guide to Business Processes  
John Garstke

A 'tool kit' for designing and implementing new business processes to improve performance.

For more information contact Steve Thomas, Macmillan Business, Houndmills, Basingstoke, Hampshire, RG21 9QS  
Tel: 01256 362708 or Fax: 01256 336898

**Leveraged Innovation**  
Unlocking the Innovation Potential of Suppliers  
Francis Bideault, Christine Butler and Charles Despres

How the early involvement of suppliers can kick-start creativity with practical advice on how to manage close co-operation.

**The Transparent Market**  
David Lundberg and Mats Larsson

How a new breed of information-rich consumers will change the market in the electronic era and how companies should respond.

Available at all good business bookshops.

www.macmillan-press.co.uk



## BOOKS

# Money, monnaie, Monnet

Philip Stephens enjoys an unblinkered look at the history of Britain's relations with Europe

It seemed so obvious. No government could "give up sovereignty over such elements in its economic structure without prejudice to its power of action in almost every other field", the British Treasury solemnly intoned. Ministers concurred. If others in Europe pressed ahead, a "political federation might be an essential pre-requisite", recalls the minute of the cabinet's subsequent discussion. The national interest was best served by seeking to derail the project. If that failed, Britain would stand aside in splendid isolation.

Thus, we might conclude, has sterling been left on the sidelines at the launch of the European single currency. But, as Hugo Young reminds us, Britain's turbulent affair with its nearest neighbours is replete with echoes of past errors. Though the words cited above might well have been those of the Conservative government which sought first to thwart and then escape from Jacques Delors' *monnaie unique*, they in fact predated the birth of *Enau* by half a century.

This Treasury, paper and cabinet minute appear at the begin-

ning, not the end, of Young's story. They were written in 1948 in response to France and Germany's first great gesture of post-war reconciliation: the pooling of their national sovereignty in Jean Monnet's coal and steel community. This mean and misguided reaction to the precursor of the common market defined the dismal concoction of arrogance, jealousy, and indecision which thereafter shaped Britain's relationship with the rest of Europe.

Young tells the tale of those 50 years, from the imperial delusions of the early postwar years to the pinched nationalism which has all but broken the Conservative party, with vivid brilliance. There are precious few accounts of the politics of our time which are at once scholarly and gripping. This book is one of them.

The grand sweep of the story of a political establishment too

grand to understand that Britain's fortunes were irreversibly entangled with those of the defeated nations of Europe - is well-trodden ground. Young's contribution is to bring a rare sharpness and erudition to the history. Each agonised twist and arduous turn is laid bare. Above all, the author exposes with ruthless and forensic skill the fundamental dishonesty of the political leaders and Whitehall mandarins alike charged with guiding Britain to the future.

First the nation was told it could stand aloof. Even as its empire crumbled, Britain would remain a great power. Nowhere was this arrogance better personified than in Rab Butler, the then chancellor, at the time of the Messina conference. This momentous event in the making of modern Europe was dismissed as "some archaeological excavations" in an old Sicilian town.

As the hopeless vanity of this strategy exposed itself, ministers and mandarins declared they would have the best of both worlds. It must never be admitted that a nation undefeated in war was no longer master of its

**THIS BLESSED PLOT: BRITAIN AND EUROPE FROM CHURCHILL TO BLAIR**

by Hugo Young  
Macmillan £20, 558 pages

own destiny. Instead, a deliberate duplicity pretended Britain could join Europe's club but play the game by its own rules. The people would be deceived. The special relationship with Washington would be preserved. The ties with former empire would never be broken.

Thus neither the benefits nor the costs of engagement in

Europe were ever honestly confronted. Margaret Thatcher personified and amplified the fatal inconsistency. Young reminds us that this wishful Gaullist, author of the infamous Bruges speech, took her country further along the road of integration than any prime minister save Edward Heath. It was Thatcher who put her signature on the treaty which introduced majority voting in the council of ministers. This was a surrender of sovereignty on a grand scale. Yet "simultaneously all her political energy was directed against what she herself was doing". The contradiction was her eventual nemesis.

Others do not escape lightly from Young's strictures. Hugh Gaiskell, the eloquent architect of Labour's insularity, looked to a lost past with all the vain romanticism of his Conservative counterparts. Wilson's failed application to join what had

become the common market was born of shallow opportunism.

Even Heath, whose single-mindedness eventually secured a place for Britain in Europe's venture, is called to account. Engagement in Europe comes at a price. The pro-marketisers, as they were then called, were part of the conspiracy of silence which hid from the people the reality of the trade-off between sovereignty and influence.

The story starts, though, with Churchill, often mistakenly described as the first pro-European prime minister. Here was Winston who embodied the delusion that an imperial past and a military triumph allowed Britain to look on as others charted Europe's course. The Europe he wanted to unite began at Calais.

Young's diligent research -

most of the players in this drama were interviewed over many years - is matched by a wonderful eye for significant detail. He is the first to expose the arrogant complacency which still infuses the civil service, above all the Treasury. Whitehall still speaks with disdain of foreigners. But the author also identifies the occasional exception.

Thus amid the deluded complacency of his peers we hear the lone voice of Sir Henry Tizard, the Whitehall official who remarked in 1949 that "we are a great nation, but if we continue to behave like a great power we shall soon cease to be a great nation". Denn Ashton, the US secretary of state, later scandalised the British establishment in his famous reformulation of that sentiment. Britain had lost an empire but failed to find a role.

That is still true. Young is right in his postscript to identify Tony Blair as the first instinctive pro-European prime minister. But I wonder whether he is not optimistic in seeing Blair as a leader ready to persuade Britain to own up to its European destiny - and thus its present plight.

## Politics, poetry and portraiture

Nicholas Wroe talks to writer and poet James Fenton

Professor of Poetry at Oxford, James Fenton's emphatic response to his name being consistently linked to the vacancy as Poet Laureate is, "Not on your nelly."

"Firstly, there are a lot of people in front of me", he continues, "also, it's not a proper job, and finally because it's just so outdated. In fact it's been outdated since 1850". So perhaps no surprise then that his latest book has nothing to do with poetry at all. *Leonardo's Nephew* is a collection of essays probing 15 art historical subjects ranging from Freud's fondness for statues to whether Seurat's bathers were swimming in sewage.

"I know it's a little odd", he concedes, that his time at

**LEONARDO'S NEPHEW**  
by James Fenton  
Viking £20, 304 pages

Oxford should have coincided with what he calls his "art craze", but equally he notes that it is nothing new. "I've never wanted to live in a poetry obsessed world", he explains. "You need other things in your life and from the start I set out to make sure that poetry was never my primary activity. It was a conscious artistic decision."

"Of course, I'm not sure it was a good artistic decision, but there you are." The list of jobs and enthusiasms Fenton has combined with his poetry over the last quarter century is a tribute to this determination to have "other things". Having been awarded a bursary to travel and write poetry in 1975 he went, like the good revolutionary he then was, to Saigon, where he hoped to actually see a communist victory. He did, and not only was he there to greet the advancing Vietnamese, he also hitched a lift on one of their tanks to the presidential palace and helped in the looting of the American Embassy.

The following decade he was in the Philippines when revolution forced out the Marcos regime. He then had spells as a parliamentary sketch writer and a theatre

critic before going back to South East Asia for another three years as a foreign correspondent.

"You shouldn't go on being a foreign correspondent reporting war, famine and revolution for too long", he explains. "When Saigon fell there were people with me who started looking for action in Africa or Beirut or wherever. It's a sad thing if you feel you're not doing something serious unless you are hearing the rattle of gunfire". So Fenton returned home as a columnist on *The Independent* where the first stirrings of his interest in art history became apparent.

But neither the time nor place was right for such work. "I did a few art historical pieces but I was told that my column was taking the education of the readers in an unfair way", he recalls. He then gravitated towards the New York Review of Books - "I now live in England but write for an audience abroad" - for whom all but two of the pieces in *Leonardo's Nephew* were written.

"It seemed to me that there are a lot of good stories around in art history. They are told between academics in symposia but very little of it gets out to the general public. My role is that of mediator between scholarly writing and an intelligent general reading public."

The essays are intellectually engaging and thoroughly enjoyable for their breadth of subject matter, Fenton's obvious enthusiasm and the wealth of telling detail he includes. The title piece, about Piero da Vinci, brings us up to speed with research so recent that the "modern Piero is still coming into being". His essay on Picasso is both a trenchant rebuttal of the charge of wartime cowardice, and a history of the paintings artists have made of their dealers. (Fenton suggests an exhibition of this genre should be called "A Century of Suckling Up".)

His study of Robert Rauschenberg includes the poignant picture of him returning home in 1945 to Texas after completing his navy service, only to find that his family had moved away and



Head to head with art scholars: James Fenton, reluctant candidate for the Poet Laureateship

not told him; and the piece on Degas reveals not only his vicious anti-Semitism, but also that he ate Dundee marmalade neat from the jar.

All this is Fenton fulfilling his role as mediator of things well known to the academic art world, but he has also made at least one serious art historical discovery - a previously unrecognised diary account of a dinner party the monstrous Degas attended - and has persuasively challenged the orthodoxy on another issue: whether or not Egyptian Funerary portraits were painted when the subject was alive or dead.

"Generally speaking I've taken subjects that have been really well presented by scholarly sources, which

is fine if you have a sense of what the sources are reliable and excellent", he says. "But when you find that you're reading a scholarly work, such as the British Museum catalogue was on these mummy portraits, and you just can't believe what you're reading, then you're in big trouble and you very quickly have to read yourself into the subject."

"For me and nearly everyone else who looks at those portraits, they look like they were painted from life. I know they also have a sense of what ideal beauty was at that period, but mostly they have a very strong sense of the living person. I simply couldn't believe the way the British Museum were presenting the case, so I asked the scholars in question for

their reasoning. Then I read up, thought about it and published the piece saying they were wrong. Their response was typical. I was invited to a meal where I would have been made to feel rather guilty and the opposite point of view would be put. So I didn't go. I've made my position clear, and I'm much more vulnerable than they are, so if they want to attack what I said they are welcome to."

Away from art, Fenton has to give three lectures a year at Oxford - "so over five years I hope that will make a book" - and in the last year the man whose musical pedigree included providing additional material for *Les Misérables* has written the words to an oratorio, an operatic adaptation of Salman Rush-

die's *Haroun and the Sea of Stories* for New York City Opera, and is currently working with Thomas Adès on another opera. "But I've always been tremendously late with all this sort of thing", he confesses. So the measuring discipline of deadlines from the New York Review, and the fact that "it doesn't really seem like work", mean that the art craze won't end for some time yet. "There doesn't seem to be a good general book on drawing around, so I'd be keen to do that", he says. "And most recently I've been looking at armour and the people who collect it. Interestingly, American press barons seem to be particularly susceptible to it. I think it's the baronial aspect that appeals."

Wyatt notes repeatedly that the BBC is full of communists and Marxists and, in passing, has a similar go at the Financial Times. He complains time and again that he does not have enough money, but makes no link with the amount he must have spent on wine.

Wine, food and horses take up a good part of the book. Sarah Curtis, who has done a fastidious job of editing, explains that the published diaries are only one-third of what he actually wrote. Alas, this is only volume one.

Malcolm Rutherford

## One man's view of his importance

Woodrow Wyatt was pretty pleased with himself, and has left these diaries to show it. In 1945 he was a promising Labour MP; there is even a suggestion in the diaries that he was once tipped to become prime minister. By 1951, however, he was becoming disillusioned with his party and devoted much of the rest of his life to journalism, much of it for the *News of the World* and *The Times*, to the *Tote* and to contacts.

These journals begin only in 1935, when Wyatt clearly reckoned that his influence was at its height - primarily because of his closeness to Margaret Thatcher. It is odd that the index to *Baroness Thatcher's* memoirs makes only one reference to him, and that only in passing. Yet Wyatt claims that he was in touch with her, usually by

telephone on Sunday mornings. If he failed to call her, she would ring him to see if anything was wrong.

Other key contacts included Lord Weinstock of GEC, Rupert Murdoch and the Queen Mother. Some of the subjects covered in the diaries were quite important, such as the Westland affair, which led to the resignation of both Michael Heseltine and Sir Leon Brittan. "You are the only person," Wyatt quotes Thatcher as telling him, "who gives me the facts." And later he muses that perhaps the reason why people like Weinstock and Murdoch consulted him so much was that they knew he could get a message

to Thatcher. As for the Queen Mother, relations seem genuinely to have been good. It is a different story with the Queen. "I think she is very stupid,"

**THE JOURNALS OF WOODROW WYATT: VOLUME ONE**  
Edited by Sarah Curtis  
Macmillan £25, 748 pages

wrote Wyatt, then later: "I've never exchanged more than a few words with her and find her impossible to talk to." It does not occur to him that the Queen might not have liked him either. The diaries are full of prej-

## Governed by the laws of the jungle

Michael Thompson-Noel on an extraordinary first-hand account of an unknown civilisation

Cannibalism can seem rather jolly, especially in cartoons in which plump missionaries have been tossed into a cooking pot by lip-smacking savages. But cannibalism, in truth, can be extraordinarily grim, especially as described by naturalist and explorer Tim Flannery in this account of his wildlife research in the remote jungles and highlands of New Guinea.

One day, the head-man of the Yomimp people told Flannery the story of how he had found his stepson,

**THROWING WAY LEG: ADVENTURES IN THE JUNGLES OF NEW GUINEA**

by Tim Flannery  
Weidenfeld & Nicolson £20, 326 pages

Oblanek. It happened, said the head-man, in the late 1950s or early 1960s. The Yomimp people had planned this raid for years. Secretly, they built a cane suspension bridge across the Sepik river.

At night, a large party of warriors crossed the bridge and surrounded an Athalmin village, slaughtering, on a signal, all 50-odd inhabitants, except for a few young girls and children. The bodies of the victims were dismembered and the head-man, who was then young, finally set off with the gutted torso of a male enemy tied to his back, a severed arm and a leg slung over each shoulder, and a head wrapped in palm-leaf packaging.

On the outskirts of the village he was stopped by the faint, persistent crying of a baby, less than a year old, hanging in a bilum - net bag - on a tree by the path. He took the string bag and slung it over his shoulders. After a few steps the baby, comforted by the rhythmic step of its new step-father, stopped crying and fell asleep. What it did not know was that it was being carried between the severed limbs of its real parents.

While telling Flannery this story, the head-man took Oblanek's hand in his own with great tenderness. "I knew then," he said, of the night of the raid, "that my son would be a good man. He did not cry, but was good and quiet when I carried him."

Oblanek, says Flannery, was smiling into his step-father's face. "I was still shocked and confused by this account of familial love," writes Flannery, "when the head-man's wife joined in, [saying]: 'We ate his Athalmin parents. They were fat. They gave me all the milk I needed to nourish two children. Oblanek grew strong on them.'"

This is a vividly horrible yet utterly memorable story, just as the whole of *Throwing Way Leg* is memorable. "Throwing way leg" is a phrase of New Guinea pidgin meaning to go on a journey, to thrust out your leg for the first step of a long march.

Flannery has been on many marches in New

Guinea, for he is a famed explorer and scientist. He is the principal research scientist at the Australian Museum in Sydney, and well-known for significant work in palaeontology, mammalogy and conservation. Sir David Attenborough ranks Flannery among the all-time great explorers, such as David Livingstone.

When he first started visiting New Guinea, says Flannery, he imagined that the great age of discovery had ended, and that his humble role would be to bring together the knowledge earlier researchers had gathered, add some photographs and ecological notes, and stick them in a book. If he was lucky, he might discover some obscure creature - a New Guinea rat, perhaps - which had escaped his predecessors.

In the event, this modest man, who recounts his exploits, hardships, sufferings and triumphs with saintly matter-of-factness, got more than he bargained for in New Guinea, which is the world's second largest island, after Greenland, and is divided into two.

The eastern half is the independent nation of Papua New Guinea (PNG). The western half, Irian Jaya, is a province of Indonesia.

He was living among peoples to whom, a few years earlier, cannibalism had been a way of life

Despite half a century of colonial rule, it was only in 1936 that Australian gold prospectors stumbled across the 750,000 people living in the central highlands of Papua New Guinea.

Irian Jaya's most prominent population centre, the Balam Valley, was discovered even later. In 1938, when a millionaire adventurer, Richard Archbold, saw what he described as a Shangri-la from the air. This was the last time in the history of our planet, says Flannery, that such a vast, previously unknown civilisation was to be discovered.

When he first visited New Guinea, he says, he had no idea he would spend months living among largely uncontacted peoples to whom, a few years earlier, cannibalism had been a way of life. Nor did he think he would climb mountains previously unscathed by Europeans, enter uncharted caves, or rediscover animals previously known only as ice-age fossils.

The vivacity of the story-telling in *Throwing Way Leg* stems from the fact that Flannery is speaking from first-hand experience. *Throwing Way Leg* is no mere travel book by some epicene ninny. It is the real thing.

## Business. And Pleasure.

To order any book in the FT freephone 0500 500 635

**FT Bookshop**  
250 Western Avenue, London, W3 6EE  
Fax +44 181 324 5678  
Corporate accounts welcome

**FINANCIAL TIMES**  
No FT, no comment.

150 من الامارات



ARTS

**T**his has been a big year for centenaries. The theme is notably sustained by the Delacroix exhibition, now at Philadelphia after its showing in Paris this summer, to mark the bicentenary of his birth. But, substantial though it is, the show is no blockbuster. Rather, it concentrates on the work of his last 20 years or so, through to his death in 1863.

**A painters' painter, his very faults are essential and particular qualities of his greatness**

He was born as neo-classicism and high-minded history painting were at their fullest flood, and David and Ingres the presiding masters. But already Romanticism was rising as the great countervailing force and, as a young artist, along with his great contemporary Gericault, he would find himself consciously reacting against the one, responding to the other, and being demonstrably influenced by both.

He died in that decade of incipient Modernism, the 1850s - of the Realism of Courbet and the Symbolism of Millet, and with Manet and the young Impressionists already at odds with the Salon. By then he in his turn had become a power and an influence, at once the old master and the first of the moderns.

For Delacroix has always been acknowledged as a great artist, and most especially by artists themselves, a painters' painter. But he has also always been problematical for his contradictions, technical unevenness and inconsistency and his sometimes alarming lapses of judgment and taste. But then again, given the times he lived in and the powerful and contradictory forces constantly at work upon his active imagination, it would be surprising were this not so. To the Romantic, after all - and it was the Romantic in Delacroix that ever rose above all - feeling, and impulse in its expression, were necessarily paramount. With him one can always argue that his very faults are essential and particular qualities of his greatness. And it is in the later work, of his full maturity and established fame, that these questions come most clearly together.

He was literary in his interests, steeped in Byron, Dante, Goethe, Ovid, Ariosto



'Marfisa': all good knockabout medieval stuff - but the picture is exquisite, realised in rich, vigorous paint

## Master of old and new

Delacroix was both a neo-classicist and Modernist painter, argues William Packer

and, of course the Bible. In this he was consciously old-fashioned, for even by his own time such insistent references and historical aspirations were largely the province of the more pedestrian Salon painters. Here he is too, with his regulation Distressed Damsels either being carried off, imprisoned, or rescued by Knights in Armour or Marauding Ghouls. It is easy to laugh, and one sometimes does, but always - and even at their most bathetic there are no exceptions - it is not what they are about, but what they are as paintings, that saves them.

At their best we smile with a puerile pleasure at what he has done, and how. Pinabello's Lady (Pinabello himself having been knocked unconscious for his

rudeness), is forced by Marfisa (a Woman in Shining Armour) to strip and give her clothes to a poor old woman: all good knockabout medieval stuff. But the picture itself is exquisite, realised in rich, vigorous paint, the composition alive with rhythm and gesture, and the poor girl herself a perfect study of the standing nude, half-turning, seen from the back. The struggling Rebecca is carried off shoulder-high by the wicked Brian de Bois-Guilbert, whose waiting white charger is as knowing as it is economical in formal modelling and description. The defeated Turk is trampled underfoot by a galloping Greek, and there can be no better a study of horse and rider.

Delacroix took liberties all the time, and it is the mea-

sure of his greatness that we accept them. And we accept them because they always serve his purpose in the painting, as painting.

**M**uch of the information for these later works, most especially for the exotic Byronic scenes of the Greek War of Independence, was gathered on a journey through Spain, Morocco and Algeria that he made in 1832. But it was material used more by long assimilation than by direct reference. "I began to make something tolerable of my African journey", he said, "only when I had forgotten the trivial details and remembered nothing but the striking and poetic side of the subject. Up to that time,

I had been haunted by this passion for accuracy that most people mistake for truth."

There speaks the true Delacroix, for, though he appears to disclaim it, it rings true in all his work. And it is an important truth, with application to all true art - for accuracy alone, in this subjective, subliminal world, was ever a chimera. Impossible of attainment, and not the point at all. But what makes it so pertinent here is that in his late work, we may see and read it as the first hint and anticipation of true Modernism, to take us well beyond Impressionism into Expressionism and the 20th century.

There hangs in the exhibition a huge and astonishing canvas that is but the lower half of the vast "Lion Hunt"

that was half-destroyed in a disastrous fire at Bordeaux in 1870. Even more astonishing is the smaller study for that composition, a richly painted, swirling mass of lines and marks, dabs and strokes, from which the images of man and beast, horse and rider, hunter and hunter, emerge like pictures in the fire. It is near-abstract and yet remains the full suggestion of all the life and fury depicted in the finished work. Complete in itself, it is as true, and enthralling, a modern painting as one could find.

Delacroix - the late work: Philadelphia Museum of Art, Benjamin Franklin Parkway, Philadelphia, PA, until January 3; sponsored by Elf Atochem North America.

## Television/Christopher Dunkley Traumatised by warfare

**E**very year as we move further away from the end of the first world war, television does its duty, marking the occasion with supposedly suitable programmes, and every year it seems less likely that we shall ever again hear eye-witness accounts from survivors. After all, in 1998, we are 80 years away from the armistice so the youngest survivors must be approaching 100. And yet here they are still, with BBC1 starting a two part series called *Veterans* tomorrow, telling the story of the war in the words of some of the last of the few survivors who fought on the Western Front.

The Post Office managed to ensure that I was unable to see a preview of that, but it failed to deprive me of Channel 4's *Shell Shock*, which was bled. The idea of choosing not to go for a programme about honour and glory, but to look instead at a subject as odd and specialised as shell shock may at first seem perverse. When you discover that *Shell Shock* is actually a series of three 60-minute programmes, it starts to look positively bizarre. And yet this proves to be an example of Channel 4 at its best, with lateral thinking serving to fulfil the famous remit to be different.

It is hard to be sure whether it was deliberate, but the final effect of the series is powerfully anti-war. That is not to say it has an overt pacifist agenda: on the contrary, these are well made observational documentaries which include not even a hint, let alone a statement, about the ethics of war. Yet any sane individual who watches all three programmes will surely end up wondering what sense it makes to use anything as clumsy and destructive as warfare to try, fruitlessly as often as not, to settle international disputes, given the effect it has not only in killing so many people, but in ruining the lives of those who survive.

Programme 1 is concerned with the first world war; next week's deals with second world war; and the third glances at Vietnam and looks more closely at Northern Ireland, the Falklands and the Gulf war. In the course of the series the subject evolves from "shell shock" via "battle exhaustion" to "post traumatic stress disorder", though the effects seem to have remained much the same. The best of the three is tomorrow's programme, subtitled "Minds The Dead Have Ravished". Its quality comes partly from its astonishing and shocking archive footage, but chiefly from the way in which a programme devoted to a topic as specialised as shell shock turns out to have so

much to tell us about the broader subject of social attitudes at the beginning of this (now very nearly exhausted) century.

The odd fact is that, having set out thinking "How can anyone sustain interest in shell shock for an entire series", you end up feeling almost short-changed. About half way through, as the British army hunts during the second world war for ways of getting more mentally damaged men fit and returned to the fighting, you realise that the series is actually about the history and development of military psychiatry and even, by extension, of psychiatry in general. The footage in tomorrow's programme showing men with "Dancing Gait", "Hysterical Slippery Gait" and "Battling With The Wind" - weird ways of walking, all induced by stress - and next week's scenes of early electro-convulsive shock therapy, provide vivid and dramatic evidence of the appalling effects of modern warfare on the minds of those sent to wage it. Film researcher James A. Smith appears to have done a stunningly good job.

**T**oday's Channel 4 programme, *The Road Kaiser Bill*, which serves as a curtain raiser to the subject, is even more rich in archive film. This is scarcely surprising when you remember that Kaiser Wilhelm II was a Hohenzollern, grandson of Queen Victoria, related to most of the other crowned heads of Europe, and thus one of the most frequently filmed individuals during the early years of the movie camera. This programme is a splendid example of television's modern tradition of revisionist biography, showing a real charmer: a snob whose admiration for the English aristocracy was transformed into a determination to out-do the Royal Navy.

Spotting an admiral suffering from sea sickness, Kaiser Bill's idea of fun was to punch him hard in the stomach. When his best friend was dragged through the German courts on charges of homosexuality, Bill dropped him and never spoke to him again. Throughout the first world war, of which he was a keen proponent, he never once visited the trenches, though he talked gleefully about corpses being piled six feet high. Forced by the German government to abdicate, he blamed the Jews for his predicament. Taken together, these programmes carry you straight back to the black and white arguments of sixth form debate: why should a single soldier suffer shell shock as a result of fighting for a society dominated by the likes of Kaiser Bill?

Radio/Martin Hoyle

## Unfashionable views

**O**n radio it was a week of paradoxes. The story that the BBC's "political adviser" had issued a memo stating that Peter Mandelson's private life was out of bounds broke simultaneously with the Bishop of Oxford being approached by the BBC to talk about the Prince of Wales and Mrs Parker-Bowles. Of course it could be argued that the latter *affaire* is of public interest, concerning the future head of the Anglican church and that church's attitude to divorce. As opposed to the sole shareholder of a £780m space to be filled with capricious whims, with which the public is not to be remotely concerned. It would be nice to know if Mandelson is an automaton, for instance. Is there a way of telling?

Another paradox. In an intriguingly unfashionable item in Radio 4's *From Our Own Correspondent*, the excellent Gerald Butt mused on the de-Islamisation of such great Moorish monuments as the Alhambra. Not only have subsequent builders disguised the building's essential Arab beauty, but modern Spanish guidebooks ignore the Moorish contribution, a matter of some centuries' occupation, to their country - extending

from keeping alive mathematics and philosophy during Europe's dark ages to the introduction of dates and rice.

Butt suggested that current Islamic bitterness towards the west might be countered by acknowledging our debt to Moorish culture. Compared with the recent bigoted braying on both sides in television's confrontation on British India - where the view that everything was a Good Thing was countered by the equal tosh of claiming India had been a world power before the British left her poverty-stricken - this sounded like calm, unprejudiced reasonableness of a sort rare today.

Although it must be said that Howard Brenton's much-trumpeted first original play for radio, *Nasser's Eden*, was at its most interesting when depicting both the British prime minister and Egyptian leader prey to the same perverted dreams of glory. At one point during the Suez clash, Eden was depicted as obsessed with dreams of empire, while Nasser was

positively Churchillian in his determination to fight the invader to the last guerrilla, to block the canal and assassinate the old regime, even should Cairo lie in ruins. Cathryn Horn's production cross-cut seamlessly between British and Egyptian camps to underline the similarities.

**B**ut as the psychological study promised, it was a non-starter. There was no reference to the illness that racked Eden at the time which we now know to have fatally impaired his judgment. As the prime minister Alec McCowen sounded like Alan Bennett's more piousy Oxbridge academics, especially with such impossible lines as "Tell the butler to bring some kind of cold colation". There must be less caricatured ways of suggesting the *ancien régime*. Some of the foreigners (but not all) spoke to each other with foreign accents. A perky duo of Egyptian workmen threatened to become a comic knockabout turn from

pantomime. And the actor playing Harold Macmillan (Nigel Davenport, I guess, though yet again Radio Times omitted most of the cast) sounded like Bob Boothby. Despite some perceptive details (Lord Mountbatten comes out of it very sensibly - another glaringly unfashionable interpretation), the play produced no new insights into either history or the psychology of its chief players.

Yet another paradox: the recording company Deutsche Grammophon was originally British. It was one of the British assets seized by Germany in the first world war and not returned. Radio 3's *One Hundred Years of the Yellow Label* is halfway through a history of the company, starting with great pioneering names such as Fred Gaisberg, primitive early recordings and Caruso sealing the new invention's success. It seems like only last year that we were hearing programmes celebrating the centenary of recording, complete with Fred Gaisberg, primitive early recordings and Caruso

sealing the new invention's success. It was. But that was Radio 2. The BBC is not averse to a shove in the right direction from hefty PR interests in these market-led and ideas-starved days.

Episode 2 took us to Berlin

- literally, for no more reason than to provide some clumsily dragged-in sound effects and to give presenter Stephen Johnson a pleasant foreign jaunt. In these days of virtual reality the BBC could have stayed at home to equal effect; but then radio has always been virtual reality anyway. Nemesis struck in the shape of a tape breakdown and the embarrassed announcement that "meanwhile here's some harp music".

**ST. JOSEPH'S HOSPICE**  
MARK ST. LONDON E9 4SA  
(Phone 01753 512323)

For the continuing provision of our many friends and supporters, we are able to bring peace, care and comfort to the terminally ill so that death may indeed "come with friendly care".  
Sue Simpson

## Rich in detail.

The 1998 FT 500 book.

A comprehensive guide to global corporate rankings, the FT 500 uses market capitalisation to rank companies. This form of analysis encapsulates the stock market's perception of a company's prospects and can be regarded as a forward-looking measurement.

In addition to the information originally available in the special Financial Times survey, the book version has been expanded to include analysis by sector and turnover.

For further information please contact the Financial Times on  
Tel: 0171 873 4211 Fax: 0171 973 3595

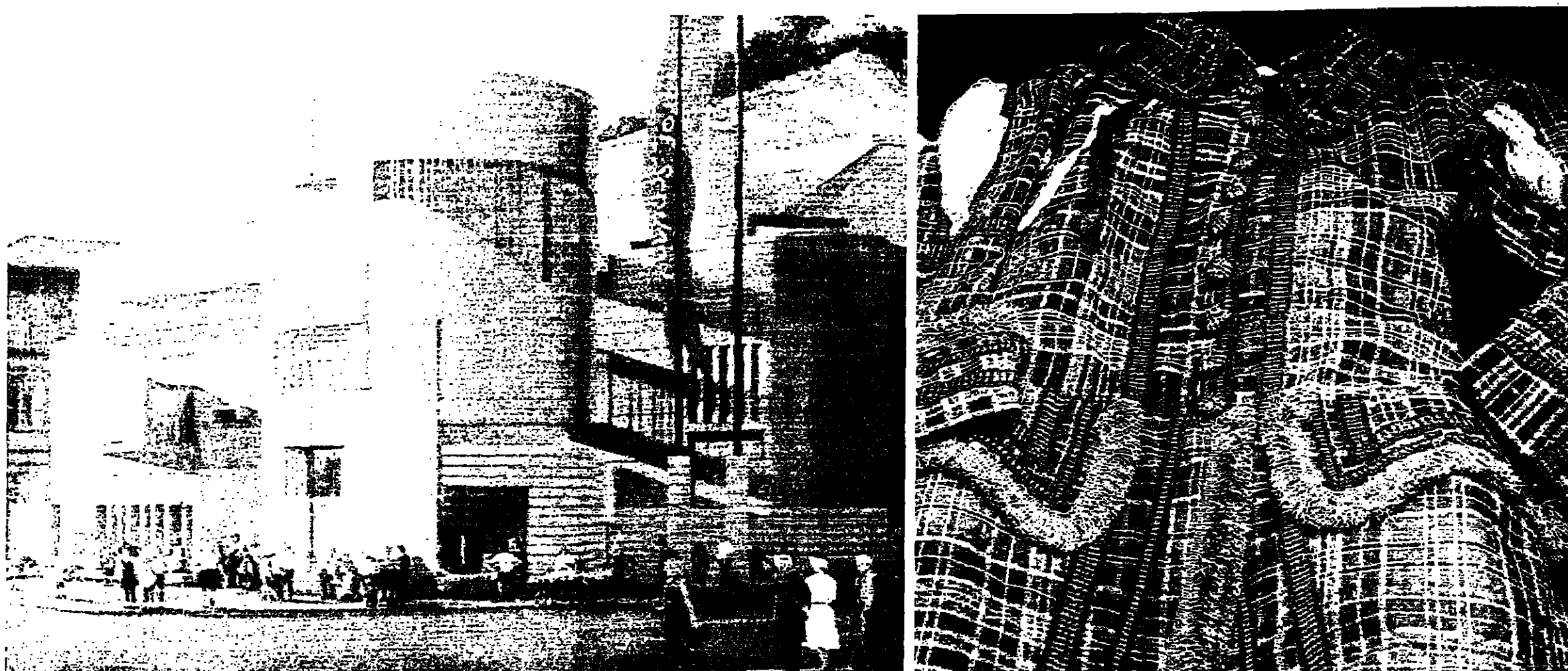
**FINANCIAL TIMES**  
No FT, no comment.

**AP AUDEMARS PIGUET**  
Le maître de l'horlogerie depuis 1875

Audemars Piguet 1948 Le Brassus, Switzerland  
Internet: [www.audemarspiguet.com](http://www.audemarspiguet.com)



## ARTS



From John Knox to tartan frocks: an artist's impression of the new Museum of Scotland, 'a secular cathedral of an agnostic society'; and (right) a uniform of the Royal Company of Archers, early 18th century

## The Caledonian connection

John Lloyd finds democracy rules in Scotland's new museum in Edinburgh

As Scotland prepares for its first parliamentary elections for nearly three centuries, a new building in Edinburgh is emerging as an exhilarating focus of debate on both Scottishness and museumhood. The Museum of Scotland faces the intellectual challenge of giving a narrative to a country through its artefacts. But it also has a more delicate task: that of teasing out the threads of a Scots identity more publicly contested than ever between unionists, devolutionists and nationalists.

In part the problem of these competing visions has been solved in the museum's displays by simply allowing them to compete. In that sense, the museum mirrors the new Parliament, now being built a mile away, in being a structure for containing diversity. If the museum hangs together - it should be opened on St Andrew's Day, November 30 (St Andrew is Scotland's patron saint, his cross the national flag) - then it will not only be national, but democratic. Which is one of its intended leitmotifs.

Many individual visions go into the overall one: the most immediately visible is that of the architect, Gordon Benson, who with his partner Alan Forsyth won the competition to design the build-

ing, is a thin, intense man in his early fifties. In the course of a two-and-a-half hour tour of the building, he scarcely seemed to draw breath as his discourse shifted through medieval history to postmodernism, from reflections on Scots character to asides on the limited visions of his architectural competitors.

He has created a building at once massive and light; the main elements are enclosed within a curtain wall of hard, multi-coloured Scots sandstone; the inner core of a softer, whitened stone. The space between the outer and inner walls is used to bring light down through the building to the underground levels. Once through the main entrance, set into a round tower, the visitor enters a high, light atrium.

The layout of the museum is on three main levels - prehistory below, medieval and early modern period at ground and first floor levels, 19th and 20th centuries on upper levels.

Windows frame views of a city whose architecture is still domi-

nated by the medieval building of the Old Town and the Georgian of the New. The great atrium window parallels the entrance, across a busy road, to the Greyfriars Church, a central location in Scots history since it provided the site for the signing of the Covenant. A window in the tower frames the half-moon battlements of the castle, a shape repeated in the tower itself.

When asked about national identity, Benson eschews history for culture. He deplores some of his native Glasgow's pompous 19th century architecture, saying that the nouveau riche merchants were grasping after a mock baronial style. Come Charles Rennie Macintosh, the city's genius, (comparable, says Benson, to Brunelleschi or Le Corbusier) and the past becomes open, not as a treasure trove to be ransacked for borrowed clothes but as a bequest to be visited, echoed, superseded. That, Benson says, is how he wishes to approach the museum. "Macintosh was saying, I think, that in

order to be truly national, or nationalist, you must have an open, internationalist nation."

Benson maintains that "museums in the late 20th century have become the secular cathedrals of an agnostic society. They safeguard, interpret and make available society's record and understanding of itself, and its cultural traditions. They are places of secular pilgrimage and awe."

Archaeologist David Clarke has the closest to a conventional curatorial narrative with his brilliant, thematic presentation of early history. Each case tells a story, as of Roman officer life compared to Roman soldier life, with the finer amphorae, dishes and eating tools (the "Romans", many of whom were locally recruited, did penetrate north of Hadrian's wall - for a time). Clarke is interested more in power, in the inner life of the artefacts, than in their telling a national story. He sees the people who can be glimpsed through the objects not as prototype Scots, but as men and women grasping

after food, warmth, sex, domination - as well as some explanations for their presence, not in Scotland, but on earth. His delight is not in discovering a national essence, but in paradox; the last exhibits are two stones, one from the Shetlands, one from near Perth, with Christian imagery carved on them - but, on one, two figures of bird-headed men peck at a skull. "It is Christian," says Clarke, "but there's something else going on, too."

In the galleries which encompass medieval Scotland through to the Act of the Union in 1707, curator Hugh Cheape is shaping a story which does include a national, if not a nationalist, element. On one wall, the quotation from the 1320 Declaration of Arbroath, made by Scots nobles anxious to resist Edward II of England's claim to rule the country, is picked out: "As long as 100 of us remain alive, we shall never submit to the domination of the English." That, today, is hardly a

neutral text; but nor is it one which can be ignored. Elsewhere, Cheape has used Benson's windows to do something very surprising with the Scottish church, the church of Knox, a byword (most of all among Scots) for dour, joyless severity. Coming out of a low, dark room in which the crypt-like medieval church is portrayed, you enter a light, high chamber full of silver communion cups and open books. The reformed church, says Cheape, has been misread as sour; it was poor, and plain - but always open. In another chamber is a celebration of 17th century Scotland as a nation at once conversant with the rest of Europe yet with the lineaments of a maturing state. "I wanted to show," says Cheape, "that the Scots enlightenment (of the 18th century) was not simply a function of Union."

The final glimpse, in the last gallery at the top of the building, is of the 20th century. Mark Jones, the museum's director, chose to represent the present by

turning it over to the people. Thousands of forms were sent out all over Scotland; more than 700 were returned, each with a selection of two objects - domestic and universal. The result will be a collection of artefacts which, in the main, are not particularly Scots; lots of people had a cooker as their domestic object, others mentioned the atomic bomb as their global object. But the lack of national elements is compensated by a populist gesture - Jones got a number of Scots celebrities involved. Sean Connery, the most famous Scot and a supporter of the Nationalist Party, specified a copy of the Declaration of Arbroath rolled up in a milk bottle (he began his working life as a milk roundman); the prime minister, Tony Blair, counted as a Scot, suggested a Fender Stratocaster guitar; and Kirsty Wark, the current affairs presenter, who in a forthcoming Scotland on Sunday poll is the most popular public figure among Scots, suggested a Saab convertible.

"Some will see us as nationalist, others as anti-nationalist," says Jones. This is one definition of success: a better will be a public which takes to Benson's secular cathedral and uses its offerings to interpret their past and present lives.

### SG Hambros

## Vision Creativity Flair

SG Hambros is delighted to be associated with the exciting and innovative production of *Carmen* by La Cudra de Sevilla to be performed in the newly reopened Sadler's Wells theatre. Combining the expertise of Hambros Bank with the worldwide strength of Societe Generale, our aim will be to offer you the same independence of spirit within the world of international private banking.



SG

PRIVATE BANKING

#### Your chance to see Carmen

See the Financial Times on Friday 13th November for details of how to win tickets

*Carmen* runs from 18-21 November  
Ticket Office 0171 863 8000

Sadler's Wells

### Theatre in Paris/Nicholas Powell

## Frivolous Feydeau and dull Dostoevsky

From the moment Monsieur Petypon awakes, under the family sofa, with a monstrous hangover, to discover there is a variety theatre in his bed (singing, incidentally, that no actual impropriety has taken place), Feydeau's *La Dame de chez Maxim* bounces like a taut mattress spring.

Deceiving Madame Petypon and avoiding discovery in this frivolous, irreverent Third Republic universe (the play is 100 years old) drain every ounce of Monsieur Petypon's imaginative resources - not to mention those of this most brilliant of playwrights.

Deceit becomes a comic hell when the artiste is mistaken for Madame

directors, and a self-confessed workaholic who, having just directed two plays and a film, *Lautrec*, should maybe rest a little.

Planchon's new adaptation of Dostoevsky's *The Devils* is playing on alternate nights with *La Dame de chez Maxim*, using the same actors. The productions run in Paris until November 15, when they transfer to the Theatre National Populaire of Villeurbanne, Lyon, of

which Planchon is director, before going on a tour of the French provinces.

Planchon uses a rectangular, revolving set for the house of Monsieur Petypon, which adds useful extra acceleration to door-banging, running from bedroom to sitting room sequences. Vanessa Guedj, her red hair piled up like singer Yvette Guilbert in a Toulouse-Lautrec print, is a delightfully attractive, vulgar Môme who keeps her bouncy vulgarity just this side of over the top.

As a foil, however, Planchon does not pitch the Pety-

pon household as archly bourgeois and raised eyebrows as he could - with the notable exceptions of Michel Duchaussoy, who is touchingly absurd in every syllable uttered as General Petypon du Crêlé.

Nathalie Krebs as Madame Petypon is a socially self-confident but bird-brained religious enthusiast, who is easily convinced, when her presence indoors becomes simply too embarrassing, to walk round the Place de la Concorde five times and await further instructions from the archangel Gabriel.

Régis Royer is also sublimely silly as the daffy duke de Valmont. *La Dame de chez Maxim* solicits laughs and giggles, if not all the guifaws that it could.

*The Devils*, meanwhile, is as long and as miserable as the Russian steppes on a wet day. For while the cast is the same as in *La Dame de chez Maxim*, the standard of acting falls far below that in the Feydeau, as if no-one had really thought themselves into, or indeed understood, their roles.

Planchon - who spent a year adapting the text for the theatre - proves, alas, that novels, especially ones with metaphysical pretensions - "Man has only one thing; invent. God to keep on living. I want to kill myself to prove my terrifying liberty" - do not easily make for good theatre. Especially when filled with a bewilderingly large number of ill-identified Russians who, for the first two hours do little but talk, often in the presence of an on-stage narrator. Intended as a substitute for dramatic tension, lots of little emphatic notes of stage business - shouting, banging of furniture and stomping around - grated as much as did the amount of understandable fidgeting, coughing and snoring in the auditorium.



Delightfully attractive and vulgar: Vanessa Guedj as Môme

November 10 - 22, 1998  
**PIANO 98**  
A Lucerne piano festival

murray perahia  
anatal ngurshi  
kaguri marielle labèque  
michel puterbaugh  
titi fejtor  
alfred Brendel

International Festival of Music Lucerne  
Bookings: Phone +41 (0) 226 44 80, Internet <http://www.lucernefestival.ch>  
Piano 98, sponsored by: Julius Bär

السؤال الأول



COLLECTING

# Masterworks put market to the test

Some great art goes under the hammer this month. But will prices hold up? asks Antony Thorncroft

This is the month that should settle the fate of the art market for the next year or two. Starting on November 16 in New York, Sotheby's and Christie's will embark on a series of sales containing some of the most impressive 19th and 20th century paintings and sculptures to appear at auction for years.

They were sent for sale some months ago by vendors confident that the market was on a roll: prices had risen inexorably from the 1990 depths. Autumn 1998 seemed an excellent time to cash in.

Since then the global economy has rolled over on its back. Are there enough buyers out there willing to pay up to \$12m (£7.1m) for another Cézanne view of L'Estaque, the same for yet another Modigliani portrait of his mistress Jeanne; up to \$15m for Picasso's cubist version of his mistress Fernande Olivier; and up to \$20m for the last of the six self-portraits by Van Gogh, sold by the Koerber family of Zurich?

History suggests demand for art and antiques dries up as people feel poorer. Already across the UK dealers and auctioneers are discovering that interest in rou-

tine objects has slackened. But the very best will always be in demand, increasingly so as the great masterpieces disappear into museums.

The handful of committed collectors for the multi-million dollar works available in New York this month are probably rich and shrewd enough to have discounted any recession. They know about the vagaries of the economic cycle and that great art effortlessly rides the storm. The most desir-

able lots will do well in New York.

According to Christie's specialist Franck Girard there has been considerable pre-sale interest, especially in his top lot, the Van Gogh self-portrait. His rival at Sotheby's, Alex Appis, agrees: "I am much more optimistic than I was a few weeks ago when Wall Street took a dive."

Now confidence is back and there have been numerous inquiries. The reserves have been kept down to ensure the works sell. Appis is particularly keen on the rare Picasso Cubist painting. It comes from the collection of Morton G. Neumann, perhaps the best of 20th century art, and has been on loan for many years at the National Gallery of Art in Washing-

ton. It should do well. Fortunately Sotheby's has not been required to give vendors guaranteed sums for either the Neumann or Reader's Digest collections. However, there are many more works for sale in this group of auctions than in the recent past, and in such a glut, demand for second-rate Renoirs, Pissaros and Monets could just wither away. Expect some exceptional prices for the masterpieces, but more lots unsold.

The lack of interest in the mundane is a problem for Christie's, which has just agreed to dispose of the 500 works acquired by the Lake Credit Company of Japan as collateral for loans during the speculative property boom of the late 1990s. Lake needs to sell these paintings, valued at about \$200m, to pay off debts, but some are of questionable quality and worth a fraction of their cost. It will require all of Christie's ingenuity to get rid of them without undermining an already nervous market.

The key painting is Picasso's "Les Femmes d'Alger", a 1908 blue period work, which went for an astonishing \$81.6m at the peak of the art boom in 1989. Today, it would be valued at nearer \$25m and, like many of the paintings, will probably be sold privately.

Ill-advised by Japanese institutions drove prices up to unsustainable levels a decade ago. Now the market is less speculative, more broadly based, and genuine. The expectation is that a repetition of the 1990 slump can be avoided. The first Lake paintings will be surreptitiously paraded this month in New York, but the



Characteristically Renoir: will 'Jeune Fille blonde' make \$200,000-plus at Christie's in London this month?

quality of the company they are keeping should see most of them home.

The main event at Sotheby's is the sale of 37 works sent by Reader's Digest, which, through the enthusiasm of Lila Acheson Wallace, wife of the founder of the magazine, built up one of the finest corporate art collections in the post-war period. With profits down, Reader's Digest is culling some of the best of its collection, which totals 8,000, and the return on the market of paintings by Modigliani, Monet, Renoir, Cézanne and Van Gogh, and more, should prove the best investment the magazine has ever made.

It is strange that more companies have not invested in art. Acquiring at the right time has many advantages:

it decorates offices, it is philanthropic and earns praise, and usually ends up adding to the profits.

While a window of opportunity seems to exist in the market, other companies are disposing of their collections. On December 2 at Sotheby's in London, Hiscov, the fine art insurance company, is selling 35 works of British art bought in the last 20 years through the discernment of chairman Robert Hiscov.

Included is a Lucian Freud portrait of his friend and fellow artist Frank Auerbach. Bought 20 years ago for a few thousand pounds it now carries an estimate of up to \$300,000. A late Ben Nicholson of 1965 of megalithic remains in Brittany could make \$300,000 while one of

Damien Hirst's medicine cabinets has an estimate of about £100,000, well below the £188,500 paid for another medicine chest in the summer.

The market does not quite know what to make of Hirst, perhaps, understandably when the formaldehyde which holds many of his creations in place seems increasingly unpredictable. A cabinet of pickled fish made \$85,000 last month - which seems generous given the poor state of the work. Prospective buyers get the chance to bid again at Christie's on December 8 when "The Lovers", four cabinets containing pieces of two dissected cows, comes under the hammer. Bids of up to £100,000 are expected. It is being sold, along with

129 other artworks, by the UK's leading buyer of contemporary art, Charles Saatchi. The money raised - over £1m - will fund scholarships for young artists, but some of the artists whose work is to be sold, who range through Hirst, Whiteread, the Chapman Brothers, Jenny Saville, Marc Quinn, and over 90 more, might wonder if it is not too soon to face such public exposure.

In the past, dealers nurtured and protected young artists. Now the auction houses, wholesalers turned retailers, are starting to set price levels, and some artists might find their careers stalled. But for Charles Saatchi, it is a chance to get a true evaluation of his vast holdings.

London is now forced to play second fiddle to New York in important 19th and 20th century art, but Christie's is managing a good sale on November 28, with one of only two versions of Brancusi's bronze egg-shaped sculpture, "The Beginning of the World", which is expected to sell for up to £1.8m. It has been out of sight for 70 years. Also in the auction are works by Picasso, Monet and Bonnard, each of which is expected to make upwards of £1m.

If the market survives its November quality test it will be good news for the Boulay 300, a new monthly publication which evaluates 300 of the most interesting lots to appear at auction anywhere in the world over the forthcoming month.

## ART COLLECTING

RICHARD GREEN

AT THREE LONDON GALLERIES



People and dogs. Signed and dated 1968. Panel: 14 x 10 in (35.5 x 25.5 cm)

L.S. Lowry 1887-1976

An Exhibition of Paintings and Drawings

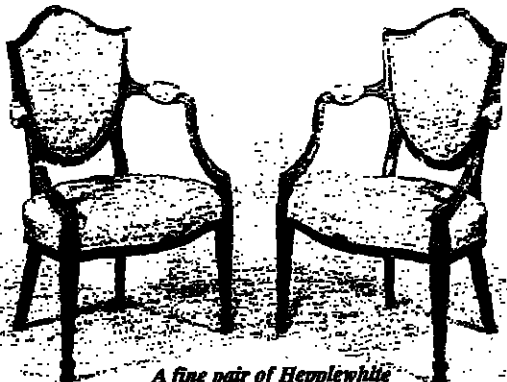
opens on 11th November 1998 at 147 New Bond Street, London W1Y 9FE. Tel: 0171 495 9939. Fax: 0171 495 0636. Fully illustrated catalogue available £15 (including postage). E-mail: pictures@richardgreen.co.uk. Internet: http://www.richardgreen.co.uk

Norman Adams

FINE EIGHTEENTH CENTURY FURNITURE AND WORKS OF ART

8-10 HANS ROAD, LONDON SW3 1RX

Telephone: 0171-589 5246 Facsimile: 0171-589 1908



A fine pair of Hepplewhite period mahogany armchairs. Circa 1780. 1998 Colour catalogue of recent acquisitions. (Quote FT)

LIONEL AGGETT

10 December 1998 - 2 January 1999



LLEWELLYN ALEXANDER

124-126 The Cut, Waterloo, London SE1 8LN

Opposite the Old Vic Theatre Tel: 0171 630 1523/1524 Fax: 0171 928 9469 Email: help@llewellyn.co.uk Web: http://www.llewellyn.co.uk/index.htm Open Monday to Saturday 10am to 7.30 pm



Titles include Windsor Castle • Balmoral Sandringham • Wensleydale

"For shrewd investors in the Art world, lithographs by the Prince of Wales are proving to be a wise buy" The Times Diary

For brochure or to view contact: Tel: 0171 584 6759 Fax: 0171 584 4672

N.R. OMELL

26th EXHIBITION OF MARINE PAINTINGS of the Eighteenth, Nineteenth & Twentieth Centuries



October - 27th November, 1998

Henry Redmore 1826-1887

Shipping in a Heavy Squall

Oil on Canvas: 21.25 x 39.5 inches. Signed and dated 1872

Provenance: Private Collection, Surrey

6 Duke Street, St. James's, London SW1Y 6BN

Telephone: 0171 839 6223 Fax: 0171 930 1625

E-Mail: nromellgall@compuserve.com

Monday to Friday, 10.00 am - 6.00 pm. Saturday, 10.00 am - 1.00 pm.

Fully illustrated catalogue available, £10.00 including postage. Sold in aid of the Royal National Lifeboat Institution

RICHARD GREEN

AT THREE LONDON GALLERIES



Arnold Bowness (1862-1894). Flowers on a ledge with fruit and a bird's nest. Signed with monogram & dated 1890. Canvas 32" x 25 1/2" inches

Exhibition of Victorian Paintings

Opens on 11th November 1998 at

39 Dover Street, London W1X 3RR. Tel: 0171 499 4738. Fax: 0171 495 3318

Fully illustrated catalogue available £15 (including postage)

E-mail: pictures@richardgreen.co.uk. Internet: http://www.richardgreen.co.uk

ANTIQUES NOW

The new way for UK antique lovers and collectors to spread the cost of buying beautiful antiques.

Ask in your favourite antique shop or tel. 0845 603 1243. antiques.now@dial.pipex.com. Written quotations on request. Subject to status.

Roy Petley

Old Watercolours and Drawings from Sunday 1st November 1998 (for 2 weeks)

Century Galleries, Hamlet Side, Haverley-Hamlet, Dorset. Tel: (01491) 575499

Art Collecting.

For information on Art Collecting in the FT call: Tel: +44 171 873 4118 Fax: +44 171 873 3765

ANTHONY WOODBURN

PO Box 2669 Lewes, East Sussex, BN7 3JE

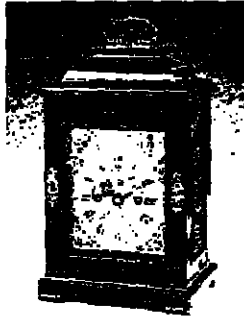
Tel 01273 486666 Fax 01273 486644

E-Mail: Anthony.Woodburn@Compuserve.com

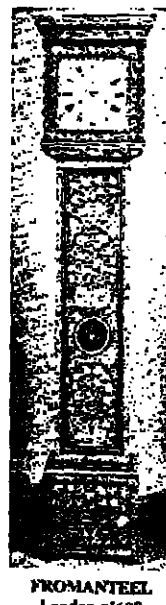
FINE ANTIQUE CLOCKS



VULLIAMY No 207 London c1780



GEORGE GRAHAM London c1745



FROMANTEEL London c1690

Our brochure is available on request

From 16-22 November 1998 we will be exhibiting at the Fine Art & Antiques Fair at Olympia, Stand E3



# How to Spend It

## Going boldly where no one went before

Once a decrepit area of New York, Nolita (North of Little Italy) has become a hot retailing spot. Vanessa Friedman goes exploring

As the fashion pack gathered in New York for the second half of next spring's catwalk shows, much remained unknown. Would colour still be omnipresent? Would hems continue their negligible rise? Would anyone be able to get a table at the Mercer? But one thing was for sure - between shows and schmoozing, those in search of the Next Big Thing were heading downtown, as fast as their stiletto-shod feet could carry them, to a quadrilateral chunk of the city otherwise known as Nolita.

Nolita (North of Little Italy) was formerly a decrepit and dirty no-man's land sandwiched between SoHo and the lower east side. It has now become the shopping mecca of the moment, thanks to a group of young retailers who dared to go boldly where no shop-owners had gone before. These urban pioneers took barren sidewalks and wrought retail magic: the ancient streets are now filled with chic, eclectic boutiques offering everything from housewares to high fashion to vintage finds - and often all in the same shop.

Indeed, if there is anything which characterises this group of merchandisers, it is a sense of individuality and idiosyncrasy: the Nolita store-owners are driven more by the dream of sharing their taste than the desire to ride the crest of a trend. They work alone, and they sell the stuff they like. The result is a smorgasbord of style that blends hippy chic with austere luxury.

If you're visiting the city and want to bring back something that is uniquely New York, but still looks as good in the damp London air (or the hazy Paris light or the sand-and-sun of Los Angeles) as it does in its original setting, this is the place to go.

Start at the south-east corner, where Elizabeth meets Spring, at Shi, one of the original settlers on the grid. A cool white haven of a store, Shi offers such delectable housewares as pastel-coloured paper lanterns, silver-glazed porcelain dinner plates, and a variety of ceramics by local artists selected by owner and buyer Laurie McLendon.

For inventive glassware, there is Orio Trio just across the street, full of 20th century vintage goblets, china mugs and aluminium storage containers, and Michael Anchin Glass, next door, which offers a rainbow of hand-blown vases, tumblers, lampshades and perfume bottles, all creations of the owner (who lives above the shop) available in hundreds

of colours and fluid shapes.

Meanwhile, a few steps down the street is Phare, three months old and already a beacon of style for men and women, both literally (phare is French for light-house) and metaphorically.

The brainchild of Jane Mayle, daughter of writer Peter Mayle, ex-model, co-designer/owner, and presiding spirit of the store, it is a small boutique offering a lovingly displayed selection of beautifully trimmed and dyed camosoles, cardigans, button-down dresses, and easy, tailored pants. Sprinkled among the new designs are vintage pieces which inspired them, also for sale. "I will dye and trim a camisole to match an old skirt," explains Mayle. "What interests me is the mix." You could liken it to Voyage in London, but without the pretentious attitude or price tag.

A quick left on to Houston Street and then left again on to Mott brings you to Calypso, and a

complete change of climate; stepping into this shop is like taking a quick jaunt to the Caribbean. A riot of colour and ease, thanks to Dosa and Miguelina slip dresses and separates, Jamin Pusch plaid plastic slides, and sequinned bags à la Fendi, the shop also sells this season's must-have Mexican woven carry-alls, as well as fairy-tale hand-bags by Tout le Monde made, of all things, out of crocheted plastic.

The total effect is like sipping a sartorial sangria. "I wanted to create a store where a customer could come in and leave with all her needs satisfied," says owner Christiane Celle - herself, in the tradition of the area, a French transplant.

Farther south on Mott, behind a floor-to-ceiling plate glass window fronting on to St Patrick's Old Cathedral, the 19th century church which anchors the area, is the flagship shop of shoe mavens Sigerson Morrison.

There you can buy their signature sandals, lace-ups and stilettoes in a dazzling array of colours and styles, including the hot shape for autumn, the high-heeled Mary Jane, a flat, almost Asian sandal with a slip of black suede strap criss-crossing the

**These urban pioneers took barren sidewalks and wrought retail magic**

bridge of the foot; and a special "Barbie" mule, available in hologrammed gold and silver suede.

A right on to Spring and then a right again brings you to Mulberry Street, and Language, the largest of the neighbourhood's

emporiums, and a brick-walled, concrete-floored space offering an eclectic mix of fashion (in the front), furniture (in the middle), and art (in the rear).

Run by the Brazilian husband and wife team of Lipe Medeiros and Ana Abdul, it is a store that says as much about lifestyle as retail. Pick up a Japanese L'Huillier slip and a pashmina shawl or a Robert Isabell scented candle, a Colette Malouf hairpiece or a hand-made Mexican beaded bracelet - or even, for those whose travel plans allow for some heavier lifting, a stainless-steel and ultrasuede armchair or a luxury-meets-utility steel bed frame (both designed by Lipe).

Farther down the street is the store of Texas designer Tracy Feith, whose pretty slip dresses, silk pants, and skirts have become favourites with the fashion editor set. Originally discovered and sold at Calypso, Feith's work was in such demand that

Celle decided to open another shop dedicated to his fashions. Hottest item for summer: the "Raj slips", sari-print dresses that are as elegant as they are original.

Next to Feith is another Celle emporium, the more casual Jade, which offers eastern-inspired silky dresses by Monah Li, and funky, rainbow-coloured separates by Coup de Pied, as well as candles, picture frames, and assorted other decorative objects imported from China.

Finally, double back on to Prince Street, and finish your tour at No 7, aka Scarlet and Sage, a soothing gem of a boutique filled with clothes (pale neutral linen and silk pyjama-style pants and shirts; mandarin-collared silk jackets that slide over trousers), objects (Turkish lanterns, gold-and-silver-embroidered bedspreads), and furniture (chaise longue; low carved wooden coffee tables), designed

and called by owner Mona Amin and displayed like lotus blossoms in a Chinese garden.

Indeed, the whole store has a Zen-like atmosphere, augmented by a pebble garden cut into the concrete floor, as well as a similarly structured "pond" which houses the head of a stone Buddha. Even in the hustle and bustle of New York, the message is hard to dispute: retail Nirvana can still be found.

■ Shi, 233 Elizabeth Street (212-334 4330); Orio Trio, 245 Elizabeth Street (212-219 1554); Michael Anchin Glass, 250 Elizabeth Street (212-925 1470); Phare, 252 Elizabeth Street (212-635 0406); Calypso, 280 Mott Street (212-965 0990); Sigerson Morrison, 242 Mott Street (212-219 3593); Language, 233 Mulberry Street (212-431 5566); Tracy Feith, 209 Mulberry Street (212-384 3077); Jade, 280 Mulberry Street (212-925 6544); Scarlet and Sage, 7 Prince Street (212-219 1290).

## French dressing

Lucia van der Post on an update for a very English name

Quietly, quietly many of Britain's big brands are being given some expert intensive care. Burberry is being tended by Rose Marie Bravo. Dunhill is about to get a new supreme, Daks is polishing up its act and Holland & Holland has been receiving the ministrations of Alain Drach.

Though part of the Chanel group since 1990, Holland & Holland is one of the oldest and most distinguished British brands. Known throughout the world, along with its great rival James Purdey & Sons, for the quality of its gun-making, it has been locked into that classic dilemma of the luxury brand - how to expand its horizons without losing

sight of its "core values".

Drach is the Frenchman put in by Chanel to mastermind its expansion plan and a fine job he seems to be making of it, judging by some of the new products just arriving in its shops. All these products stem from the company's roots in shooting and in country life.

Some of Drach's strategy will not be immediately apparent to the consumer - it has been about doing up the workshops and the factory and making sure that the "core product", the guns, are as finely made and as technically perfect as they ever have been. But from there he has branched out - first with small shops in Paris and New York; then he started to work on

expanding the range of products.

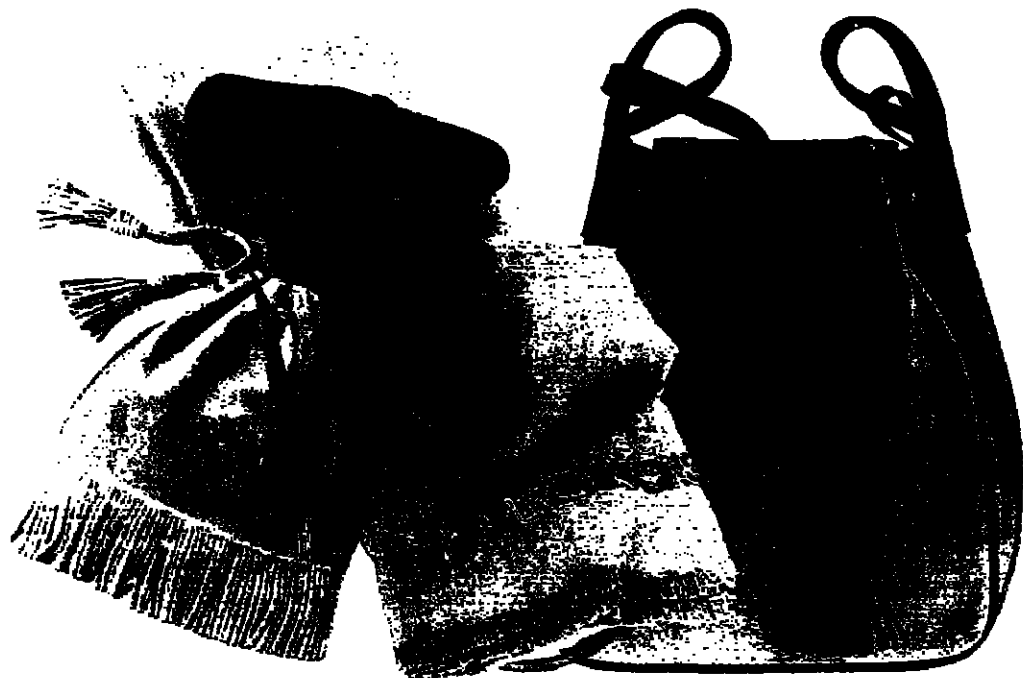
As you can see from the small selection shown here, they all relate in some way to shooting and the country way of life - none of them has a hint of the slick, metropolitan aesthetic which some of its stable-mates do so well. The designers at Holland & Holland have done what Ralph Lauren, in a different way, did so well before them - they have taken a complete world, the world of country houses and country walks, of guns and birds and green fields, and imagined the products that those who inhabit this world might like to use.

They have devised soft cashmere shawls, pouchy suede bags with tassels and

fringing, purses made from pheasant feathers, velvet slippers for sitting round log fires, cufflinks made from horn, wallets and writing cases in bridle leather - one can almost smell chestnuts and autumn mist. All eminently desirable, all with a personality of their own.

■ Photographed here is just some of the range. Near left: stone suede drastring bag with tassels, £125. Far left: pouchy stone suede shoulder bag with drastring tassels, £185, and pheasant feather brooch, £15. Centre: fern green cashmere shawl with silk embroidery, £295; plum velvet slippers, £185.

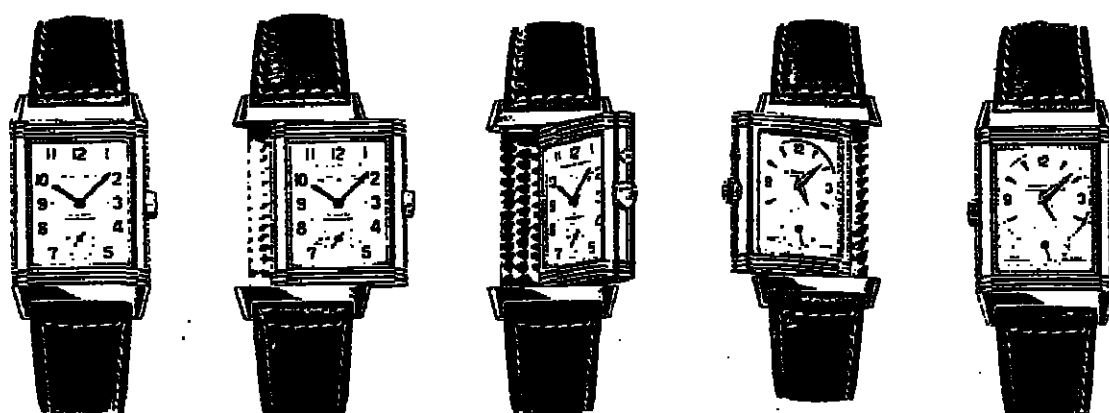
■ All available from Holland & Holland, 31-33 Bruton Street, London W1.



Eminently desirable products from Holland & Holland

**JAEGER-LECOULTRE**

ANOTHER TIME,  
ANOTHER FACE,  
REVERSO DUO.



THE WORLD'S FINEST TIMEPIECES ARE  
EXCLUSIVELY AVAILABLE FROM SELECTED  
WATCH SPECIALISTS.

FOR AN ILLUSTRATED CATALOGUE  
AND LIST OF NATION-WIDE CONCESSIONAIRES,  
PLEASE TELEPHONE J.W. BENSON LTD  
ON 0171 446 6353  
OR FAX 0171 446 6366.  
E-MAIL: BENSON@UKBUSINESS.COM  
INTERNET: WWW.JLC.COM



# How to Spend It

# Seriously shabby, or new – leather's just lovely

**Seek out some hide for the latest interiors, says Lucia van der Post**

**W**e still have the second sofa we ever bought (we will pass lightly over the first – a “modern” affair with which I never really bonded) and, if only the leather webbing straps could be repaired, it would be as perfectly in tune with today’s aesthetics as it was when we bought it in the late 1960s. Designed by Rodney Kinsman for OMK, it is a design classic and one of its clones (I hope with more resilient straps) resides impishly in the Victoria & Albert Museum.

I am glad we didn't lose it in one of our house moves because its rounded curving chrome frame and its slightly shabby square leather cushions mean that we are right up with the very latest happenings in interior design. Leather, you see, is the interior design world's next Big Thing and shabby is much to be desired.

Those who are always ahead of the next Big Thing have been quietly infiltrating leather into their minimalist interiors for quite some time. In the very chest (and wheel-beeled) circles it has arrived in the form of seriously shabby antique club chairs — this, you understand, takes years to achieve and cannot be bought cheaply; very smart second-hand furniture from before the war (most desirable, in my view, being Ken Kesey's *Wings* armchair) with its curving, triple-banded chromium-plated steel and wood armrests and black leather upholstery; and more up-to-date second-hand classics such as Eames, Le Corbusier or Bertoia leather chairs and sofas.

A black and white photograph showing a bed with a patterned blanket and a window with vertical bars in the background. The scene is dimly lit, with light coming from the window.

Leather-covered Bonaparte bed in distressed cowhide, £3,995 for queen-size, £4,750 for king-size (mattress not included). It will be available to view and order in about three weeks (tel: 0171-731 3593 for stockists)

Prices have been rising as fast as the renewed interest in them from interior designers. For those who have nei-

For those who have neither the taste nor the temperament for the second-hand, there are many new leather chairs available. Many of these designs have the advantage, for those of an avant-garde turn of mind, of being utterly of today. Sleekest, sharpest, most stunningly contemporary — and most expensive — is Ralph Lauren's Modernist \$5,000.

But there are other leather options at more accessible prices. Andrew Martin, whose shop at Walton Street has a slightly original take on modernism, has what it calls a Montague chair in antiqued hide for \$2,726. Less of a statement, easier to slip into almost any kind of existing interior, it is modern, yet comfortable and

chair at \$4,000 a time, ever the magician at knowing how to capture an image in an object, there is something exquisitely millennial about the steel grey leather. It comes with a whiff of the penthouse and you can almost sense the skyscraper lights playing on the vast, entirely unimpressive.

Franoise de Pfeiffer, the interior designer behind the charming interior decorating shop, Interiors bis at 80 Sloane Avenue, London SW3, senses that leather is coming into the interior in a big way and not always in conventional places. Part of

the reason, she feels, is the longing many people feel for something soft, sensuous and luxurious to relieve the endless reams of cream and white or minimalist interiors. New leathers are on the market which are easier to care for - but take my advice, don't care for it too well. Shabby, remember, is infinitely to be desired.

Françoise de Pleiffer has an extraordinary chest of drawers finished in leather which is sumptuously elegant - though, needless to say this elegance comes at a price (£2,400 to be exact). Experimental types might like to consider some amazing curtains made from stripes of suede alternating with linen which look quite extraordinarily innovative and interesting - at £1,500 and £2,000 a pair (depending

on width and length) they are not cheap but I guess that's the price of being first.

In more conventional mode, she has designed a low square coffee table with a top made of leather squares; more timid types who just want to test the water could buy a cushion or two, in suede or leather.

For some really interesting pieces by a Thai designer, Prutipong Kijkanlanu, take a look at Gill Wilson furniture, 151 Dawes Road, London SW6 - she has a steel and leather-covered chaise longue for £1,175 and matching chair for £862. Both were designed in 1989 but look eminently clean and modern. Porky, a fashionably dumpy chair with curving arms and sides, though mostly sold covered in PVC, can be covered in leather.

Finally, the look has already appeared in some more accessible quarters - Laura Ashley has a marvelous club leather chair for £695, and a leather-covered old-fashioned wing chair, the Denbigh, sells for £795. As you would expect, it has a gentle, slightly more countrivish feel.

And don't forget Habitat - an admirably sleek and modern three-seat sofa in black with a chrome frame is £1,499, with a matching chair at £799.

■ For second-hand 20th century designs try Twentieth Century Design, 274 Upper Street, London N1, or Century Design, 68 Marylebone High Street, London W1. Aram Designs, 3 Keat Street, London WC2. Aero, 96 Westbourne Grove, London W2, and Haus, 23-25 Mortimer Street, London W1 all sell contemporary versions of some of the great 20th century classics.

**At last month's Decorax, the interior decorating world's trade fair, leather was everywhere - in grand sofas, squashy chairs, and small cushions as well as finely wrought doorknobs and curtain poles. Shown left are a few of the options.**

**From top:**  
☐ **Laura Ashley's leather club chair, £695, either from Laura Ashley shops or by mail (tel: 0990-622116).**

□ Four-drawer chest of drawers with leather top, sides and drawer fronts, £2,400, from Interiors bis, 60 Sloane Avenue, London SW3.

□ Ralph Lauren's sleek grey Modernist chair, £4,000, from the Ralph Lauren shop at Harrods and from Sterling Furniture, Tillicoultry, Scotland.

□ **Ligne Rosset Petite**  
Sieste reclining chair  
comes in many colours,  
from £1,100 for a manual  
recliner, more for a  
mechanical. Available from  
many furniture stores  
around the UK, including  
Harrods and Heals or tel:  
01494-865001 for other  
stockists

☐ **Portia leather sofa in black, comes in three sizes, large (as here) £1,499, medium, £1,299, and small, £799. From Habitat branches and by mail order (tel: 0645-334433).**

St. Emilion, St. Estephe, St. Julien.  
(Only the few are blessed.)

The image shows three royal crests of the United Kingdom, each with a motto scroll below it. The first crest on the left is the Royal Coat of Arms of the United Kingdom, featuring a lion and a unicorn supporting a shield topped with a crown. The second crest in the middle is the Royal Coat of Arms of the United Kingdom, featuring a lion and a unicorn supporting a shield topped with a crown. The third crest on the right is the Royal Coat of Arms of the United Kingdom, featuring a lion and a unicorn supporting a shield topped with a crown.

Asprey & Garrard

From Haut Brion to Haut Medoc you'll discover many fine clarets but the finest claret jug can be found only on the Eastern slopes of Bond Street. In crystal with a sterling silver mount, at £350, it is available only from the newly married Asprey & Garrard, 167 New Bond Street, W1. Tel: 0171 493 6767.

*Over 400 years of expertise in designs, commissions and valuations.*

**Designer labels at high street prices**  
Read **THE GOOD DEAL DIRECTORY 1999**  
and find out where to buy the following at discount prices

Donna Maran  
Aves St Laurent  
Polo Ralph Lauren  
Armani  
Nicole Farhi  
Whistles  
Paul Smith  
Gaultier  
Wedgwood  
Villeroy & Boch  
Anno French  
Le Creuset  
Osh Kosh B'Gosh  
Tommye Storzowski  
Rigby & Peller  
Christian Lacroix

as well as discounted top quality	
children's fabrics	silverware
lighting	luggage
beds	dishwashers
chairs	stereos
glasses	nursery equipment
cutlery	children's clothes
beds	fishing equipment
	cardinal cap
	shorts
	washing machines
	TV's
	hairdryers
	toys
	furniture
	screens and nets
	sports equipment

## Wine, Port & Spirits

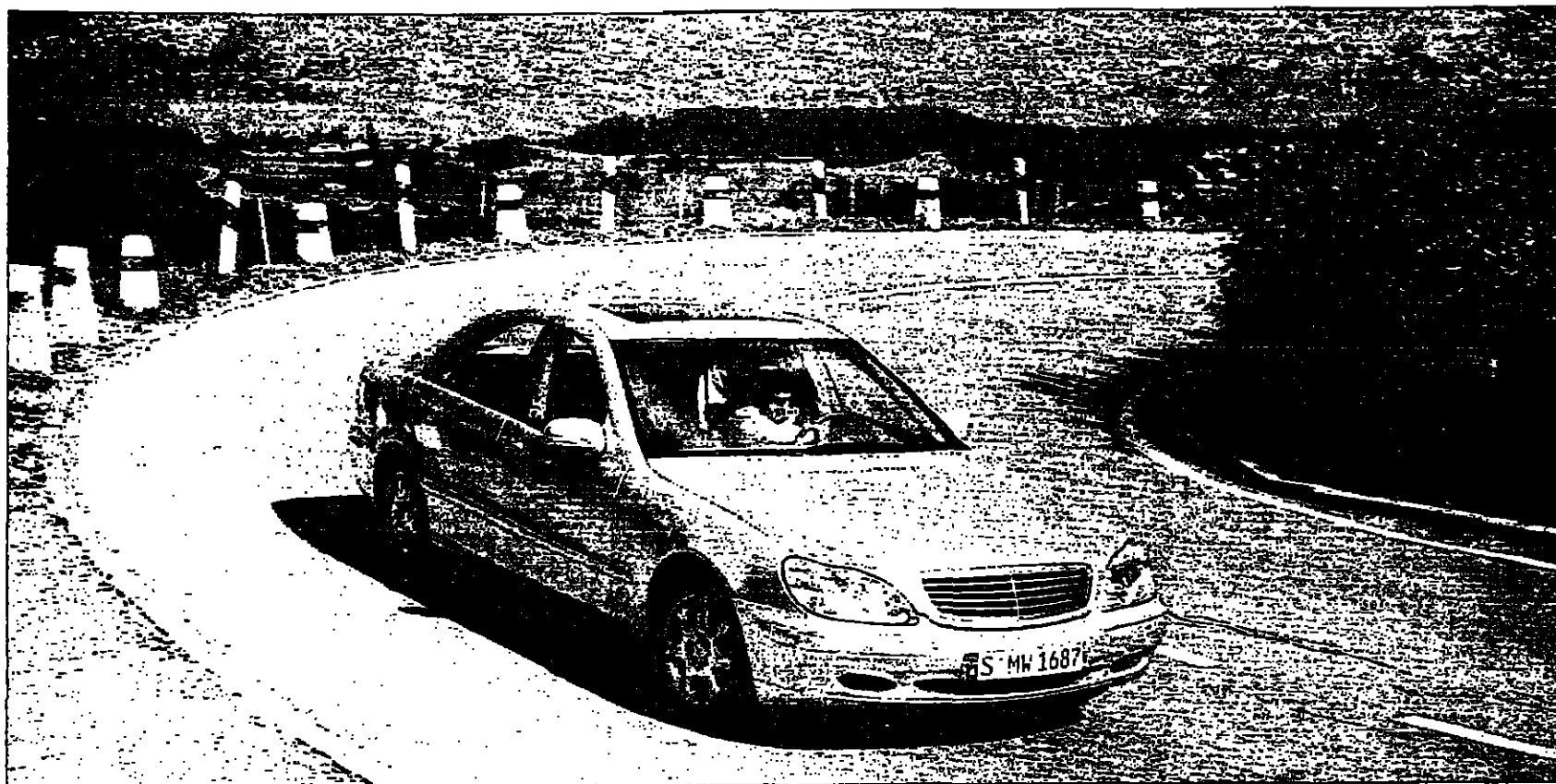
**Auction: Friday 13 November in Honiton**

This sale will include a wide range of fine Bordeaux from Sauternes 1953 to L'airour 1982 and many years in between, rare 19th Century Madeira, Vintage Ports, Cognacs and excellent Sauternes and Red Burgundy. For further information, please call **Richard Harvey MW** on 01404 41872.

**BONHAMS** Dowell Street, Honiton,  
Devon EX14 8LX



## MOTORING



For comfort, safety, driving dynamics, passenger space and silence, the S-class has no equal

## Road Test

## A truly miraculous Merc

Stuart Marshall drives the latest top-range Mercedes S-class and runs out of superlatives

If the worst you can say about a car is that you become aware of a small amount of wind noise when its speed tops 125mph (200kph), it has to be considered well high perfect. Which is why the new Mercedes-Benz S-class is currently the best large saloon car in the world.

No, this is not a claim by the advertising department; it's my own considered opinion. You can pay much more for a car of its size and performance but for a combination of all the factors that matter – comfort, safety, driving dynamics, passenger space and silence, the S-class has no equal.

When Mercedes-Benz launched the last S-class eight years ago, its technical virtues were acknowledged but critics said it looked too bulky for its own good. Even so, more than 400,000 plus another 25,000 two-door derivatives were sold, giving the S-class a 42 per cent share of its market segment. For the new car, Mercedes has greater ambitions and could make up to 90,000 a year if demand warrants. It probably will.

Outwardly, it is slightly smaller than the old S-type though there is a little extra room inside. Gone is the rather slab-sided, pocket battleship silhouette, replaced by something sleeker and more elegant. This, plus attention to styling detail, has reduced the apparent size so successfully that when I first saw one in the flesh, I wondered momentarily if it was an E-class, not an S-class.

It is also lighter. Using high-strength steel, aluminium and plastics and replacing double-

glazed windows with single laminated glass has cut the weight. The 6-cylinder S 320, for example, has lost 340kg (750lb). Together with better aerodynamics, this has improved fuel economy significantly; the S 320 is not in the least gas-guzzling, with an official average consumption of 24.5mpg (11.5l/100km).

The new S-class is crammed with electronic driver-assistance systems, including, for the first time in a volume-produced car, an intelligent cruise control. This uses radar to keep the car at a safe distance from the car in front. If the traffic stream slows, the system adjusts the speed of the S-class accordingly. (It worked well on crowded autobahns and normal roads alike.)

Automatic climate control takes account of the number of passengers as well as the ambient temperature. The seats have fan-ventilated upholstery and air chambers that move subtly to relax spine and back muscles.

There are front, side and window-covering airbags to protect driver and passengers from head-on and lateral impacts. A

digital navigation system (even I managed to work it with a little expert tuition) guides by voice and full-colour moving map. If it learns of traffic hold-ups, it computes a new disruption-free route.

The pampered driver of a new S-class does not even need an ignition key. If he specifies an optional extra chip card. With this in his shirt or jacket pocket, all he has to do is touch a door handle to open the car and then a button on the transmission selector to start the engine.

If a static inspection of the new S-class was impressive, a test drive on a variety of Swiss and German roads was almost overwhelming. I tried two versions: first an S 320, with a 3.2-litre, 224-horsepower V6 and then an S 500, with a 5.0-litre, 306-horsepower V8. There is also a 4.3-litre, 279-horsepower V8-engine S 430. Two turbo-diesels, a V6 and a V8, will be added to the range later.

A 5-speed automatic transmission is standard on all new S-cars. Unusually, there are no separate positions on the selector

for lower gears. You put the lever in "D" and leave the transmission to pick the right gear or select it yourself by nudging the selector lever sideways.

The last S-class had an excellent ride, because of good suspension design aided by its substantial weight. Although the new car is lighter, its ride is so much better it verges on the miraculous.

Instead of steel springs, it has pneumatic suspension units and dampers adapting instantly under electronic control to changing road conditions and driving techniques. Touch a button on the fascia and the ground clearance is increased for driving on very rough roads. Exceed 87mph on an autobahn and the car lowers itself automatically by 15mm to reduce aerodynamic drag. Slow to 43mph and the ride height reverts to normal.

Aside from these parlor tricks, it is the sheer urbanity of the S-class's ride – and the precision of its handling – that sets it apart from other large saloon cars. On mountain roads, full of tight curves and sharp gradients, it was so nimble it seemed to

shrink and become a small and sporting car.

Exploiting the absence of an official speed limit, I gave the S 500 its head on the autobahn. With a barely detectable change of engine note it shifted into top gear at about 100mph and accelerated steadily to 146mph, with another 10mph to go before an electronic ignition cut-out would have operated. (European car-makers have an informal agreement to limit their most powerful models to 156mph.)

Many buyers of the new S-cars will do their motoring in the back seat, which offers enough legroom to suit people who habitually fly first-class. They will not know what a driving experience they are missing.

With an almost infinite range of power-operated adjustment to the seat and steering wheel, a perfect driving position is easy to achieve. The steering wheel is much smaller than S-class drivers have been used to and the rack-and-pinion steering (another innovation for the flagship cars of Mercedes-Benz) is as accurate and responsive as it is effortless.

Following a trend set by Lexus and Cadillac, Mercedes has adopted instruments with backlit white figures on a black background that seems to fade into invisibility. Even in bright sunshine, they can be taken in at a glance, which is more than can be said of many of today's cars with deeply recessed dials.

The new S-class reaches Britain early next year. Prices have not been fixed nor specifications finalised but a £55,000-£85,000 range seems likely. No amount of money would buy a better, safer car.

## Jag's faces for the future

Jaguar's design chief Geoff Lawson talks to Haig Simonian

Unusually for a designer at a luxury brand, Geoff Lawson, Jaguar's head of styling, delights in being a maverick. At Mercedes-Benz or BMW, the company image is so strong that even the most colourful designers can be dulled. Lawson, by contrast, seems a loose cannon – in more ways than one.

"I love guns. I have about 80 at home and most of them work. I used to do a lot of clay-pigeon shooting until a couple of years ago," he explains.

Having had the S-type in his sights for years before its unveiling at last month's British International Motor Show, Lawson, who spent 15 years at General Motors' Vauxhall subsidiary before joining Jaguar, is now taking aim at the next big challenge – the X400 "Baby Jag" due in 2001.

The S-type, a mid-sized executive challenger to BMW's 5 series, harks back to Jaguar's stylish Mark 2 of the 1960s – a model revitalised for many by Inspector Morse of British TV fame and by various specialist replica models.

But with the S-type out of the way, Lawson cannot put his feet up. Many of the 1,400 engineers and designers at Jaguar's Whitley product development centre near Coventry are already well into the design process for the X400.

Both cars represent uncharted territory for Jaguar. The S-type's designers had something to go on in the form of the Mark 2. The result is an extremely handsome car, instantly recognisable as a Jaguar, yet totally contemporary.

Considering the conservative nature of the executive car market, there was no temptation – or pressure from Detroit – to mimic the Germans and go for a family look linking the S-type to the existing XJ saloon and XK8 sports car.

Lawson said various designs were shown to hand-picked customers in styling "clinics". In the end, the designers' own preference for a distinctive-looking car full of cues from the Mark 2 won out.

Does that make Jaguar yet another carmaker going "retro", I venture? He winces at the word. "It's not as crude as that. To me, the heritage is all-important. You're trying to capture the ethos and essence of the past with every new model."

While the S-type seems to have met the challenge of marrying old and new, the Baby Jag poses a dilemma for Lawson and his team. It will take the company to new output levels. The S-type is already a risk: Jaguar expects to sell 40,000 next year, pushing group sales to about 80,000. But the smaller, cheaper X400 should

sell more than 100,000 a year on its own.

The Baby Jag's looks will have to be exquisitely judged if it is to achieve such ambitious targets. Unlike the S-type, where Lawson and his team could refer back to traditional styling cues on previous mid-sized saloons, the X400 represents entirely new territory.

The focus will be on the frontal styling. Lawson stresses the importance of each model's "face". So far, he has come up with three distinctive treatments.

He gave the XJ40's 1994 face lift its distinctive sculptured style, recalling the original XJ saloon of 1968. Coupled with long-overdue improvements in quality and reliability introduced by Ford, that car marked the start of Jaguar's comeback.

Two years later, Lawson evoked the S-type of the 1960s in the XK8. The new coupé and convertible have been warmly received, especially for their aggressive frontal styling.

Lawson is as adamant about the need for a third, distinctive



Geoff Lawson: preserving heritage is all-important

"face" for the S-type. "There was a Jaguar heritage. We would have been idiots not to use it," he says.

What he omits to say is that stamping a clear brand identity on to the S-type by linking it visually with a classic Jaguar was important commercially as well as aesthetically. The S-type is Jaguar's first car to share its platform (basic engineering structure) with a Ford. The S-type shares its platform with the new L38 and L38 saloons developed by Ford's upmarket Lincoln brand in the US.

The need to stress brand identity will be even stronger with the Baby Jag. The new car is expected to share its platform with Ford's next-generation Mondeo, a fine, but hardly exciting, car. If the design is not distinctive enough, Jaguar will be accused of failing to defend its identity. Not only reputations, but sales, will suffer.

Does that mean Lawson will risk developing a "fourth face" for the Baby Jag, or prefer the German option of a more family look. Lawson acknowledges the risks: "That one's tough. We're working on it."

The batt  
bagels fo

Daniel Carlson by

F

YOU DO

HOW TO BE A

VISIT HA

NEW LINE DEP

OUGH YO

NE BY TH

YOU LEA

YOU DO

HOW TO BE A

VISIT HA

NEW LINE DEP

OUGH YO

NE BY TH

YOU LEA

YOU DO

HOW TO BE A

VISIT HA

NEW LINE DEP

OUGH YO

NE BY TH

YOU LEA

YOU DO

HOW TO BE A

VISIT HA

NEW LINE DEP

OUGH YO

NE BY TH

YOU LEA

YOU DO

HOW TO BE A

VISIT HA

NEW LINE DEP

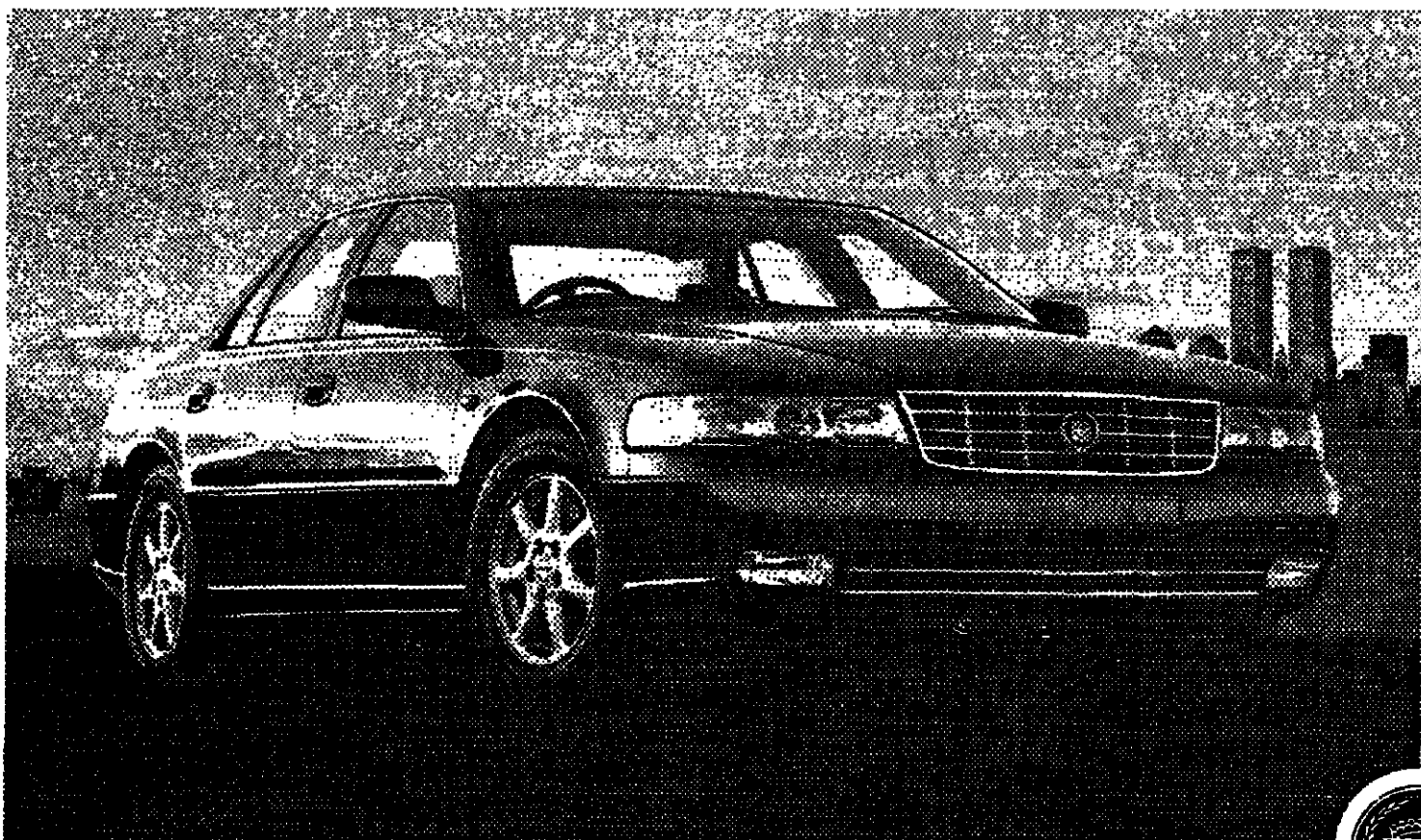
OUGH YO

NE BY TH

YOU LEA

YOU DO

HOW TO BE A

Cadillac Seville...  
introducing luxury motoring for the astute.

Prices quoted are correct at time of going to press (August 1998). Prices are subject to change. In line with General Motors' policy of price transparency, price includes VAT. General Motors' delivered and paid of £25, new vehicle first registration fee of £25 and twelve months' road fund licence of £17.50. \*A £100 option fee and £150 credit arrangement fee, both payable with first monthly instalment. These are included in the total amount payable. Finance is open to all customers subject to status and conditions. Written quotations from GMAC (UK) plc, 19 Chapel Street, London EC3N 4LJ. All applications must be aged 18 and over. \*Security, in the form of a guarantee, may be required.

If you think the Cadillac Seville is only for a privileged few, think again.

Despite its sumptuous interior with features too numerous to list, at £499 per month, this is a car for the intelligent, not simply the indulgent.

Be one of the first to enjoy empowering technology, with convincing performance and sophisticated safety features. Call today for a test drive of the new RHD Cadillac Seville.

0845 601 2121

Cadillac

صكرا من الاصل





## The battle to bake better bagels for British bellies

Michael Carlson looks at how demand for the 'real' thing is rising

**F**irst hamburger chains, then pizza parlours. Now, with Seattle-style coffee houses sprouting on the UK high streets, the American bagel is taking another bite at becoming the next food trend to hit British consumers in the belly.

At least that is the hope of Kris Engle, whose fast-growing chain of Great American Bagel Factory shops is trying to seduce London's palates with a taste of the real thing.

"Fifteen per cent of the English have tasted bagels, but what they've tasted has usually been bad," says Engle. "It's usually nothing more than a sweet bread roll

with a hole in the middle and a bit of a crust."

Long-suffering bagel addicts can confirm Engle's analysis. British bagels, like domestic versions of croissants, baguettes or muffins, reflect a baking style both soft and sweet. Bagels should be challengingly chewy, and never sweet.

London's famed Brick Lane bakery boasts of serving them warm.

In New York, you don't touch a bagel until the dough has cooled. Think of trying to slice a loaf of bread just out of the oven and you will understand why.

London's Ridley Road bakery will actually reheat a bagel in a microwave, returning it to the consistency of unbaked dough.

Grocery stores offer pallid versions, more authentic in their packaging, emblazoned with Stars and Stripes or the Status of Liberty, than their taste.

Engle, who hails from Ann Arbor, Michigan, came to Britain 11 years ago working in the travel business. While living in San Francisco she had watched the bagel craze explode in the US, and developed a conviction about its benefits.

"I was convinced we could win a British audience if we gave them the right bagels," she explains. "One of my partners is Ronnie Simpson, who helped found Pizza Express. We sent Ronnie across America, to try the

real thing. When he came back, he was sold."

Even in the US, bagels used to be an esoteric treat. You did not have to be Jewish, but if you ate bagels regularly, you probably knew the correct pronunciation of chutzpah, lived on the east coast, and liked Woody Allen more than Bob Hope. Then America discovered fitness.

"Doughnuts were for Homer Simpson," says Andy Jacobs, of Chicago's Jacobs Bros Bagels. "Bagels are basically fat-free and, when made properly, from high-protein flour, and just a little malt syrup, no added glucose. It's a healthy single serving of bread."

"When they're made properly you really have to work to chew them. What could be better for keeping fit?"

Jacobs Bros is so well regarded in the Windy City that it catered for football's World Cup in 1994, introducing

**St Viator bakery in Montreal still boils its bagels first, then bakes them in wood ovens**

ing bagels to commentators from all over the world.

The brothers went to Chicago from New Haven, Connecticut, once a thriving satellite city for New York with its own tradition of bagel baking. They chose Chicago because they liked the city, but also because there was a bagel void in the country's midwest.

"Kraft Foods bought Lenders, an east coast bakery who packaged frozen bagels. It's like processed cheese compared to real cheese. That was as close as most midwesterners ever got to a bagel," says Jacobs. Interestingly, Lenders is marketing frozen bagels in Britain, with a big advertising campaign. As Jacobs points out, the bagel boom has brought its own compromises.

"As quickly as bagels replaced doughnuts," he laughs, "customers started asking for bagels flavoured like the doughnuts they'd given up."

Purists insist bagels are a savoury food, but now most American producers offer versions filled with cinnamon, raisin, blueberry and worse.

"In America, more is always better," says Montreal bagel connoisseur Abe Susnowicz. "Not only do they add raisins, but they make them the diameter of a small pizza."

He laughs: "Pile up lox [smoked salmon] and cream cheese, and now instead of health food you've got heart attacks. Seriously, size itself is an enemy to good bagels. The bigger they are, the harder it is to cook them through."

Susnowicz swears by Montreal's St Viator bakery. In the heart of the area immortalised by Mordecai Richler's novels, and called "Saint Vee-eight" by Anglophones, the bakery still boils its bagels first, then bakes them in wood ovens.

"They spoil you for the rest of the world," he says. The question of whether to boil was one that perplexed Kris Engle when she started to study bagel making. It is not surprising she made her pilgrimage to Manhattan: what is surprising is that it was Manhattan, Kansas, home of the American Institute of Baking.

"To boil or to bake in one step in modern steam ovens is the great schism in bagel making," says Engle. "But if you're good at it, and you start with flour with a high enough protein content, steam ovens can produce much the same product."

Strangely enough, the ovens are made in Italy and the machines which shape the bagels are imported from Sweden, making Engle's Great American Bagels an authentically European Union experience.

Although her menu includes the doughnut flavours, and the intensely foodie sundried tomato one bagel, the basic plain, poppy, sesame and onion are all satisfyingly strong. The week I visited, the "special" was vegetable, a savoury speciality of Jacobs Bros as well. Business at the American Bagel Factory is so good it has set up its own bakery under London Bridge, and is servicing seven locations, plus Harvey Nichols and the DKNY Cafe.

"We get regulars now, and we're busy on weekends when people stock up for their homes," says Engle, who believes she is winning the battle for British taste buds. "But my biggest thrill has been two separate times when tourists from San Francisco told me my bagels reminded them of Noah's, my all-time favourite bagels."

She glows with messianic fervour. "All the hard work felt worthwhile then."

## The black sheep of the wine world

Giles MacDonogh likes the Carignan grape. So why is it still regarded as a pariah?

**U**n mouton a chep pates, or a "five-footed sheep" was how one local grower dismissed the notion of a great wine from the Carignan grape, a thing so rare that you could be excused for believing it did not exist.

Even when he was prodiged with a few examples, such as Fernand Vacquer's wines, which have always been among the most sought after in the *département*, or Ferrer-Ribère, making a name for themselves in Britain with a wine made from 130-year-old, pre-phyloxera Carignan vines, he still would not hear any good said of the grape. He wanted the right to plant easily saleable Cabernet Sauvignon and Chardonnay, and that was it.

That was over the boundary in the Pyrénées-Orientales. The same attitude haunts the Corbières in the neighbouring Aude: most growers would rather something other than Carignan, which they blame for the low price and modest reputation of their wines. It is a view sharpened by the fact that many of the estates are owned by strangers to the region: Bordelais, Burgundians, Belgians, even British.

The Aude's nobler ampelographical past is now largely lost. In the old days, the region was planted with grapes such as black Terret and Piquepoul Noir. It seems that Carignan made its entry from Spain in the middle of the 18th century, along with Grenache Noir, for which it forms an ideal stablemate, lending it deep colour and useful, anti-oxidant acidity.

Carignan earned its bad name during the industrial revolution in the last century. Now that communications had been made easier by the railway, enterprising local patriots turned the flat lands over to producing coarse, alcoholic wines for France's northern proletariat. To the blend of Carignan and Grenache were added the hybrid Aramon and the black, staining Alicante bouchet. The new wine was dark and power-

ful, but had little to do with tradition - viticultural, cultural or gastronomical - it was about making fortunes for local magnates.

The world has changed - a bit - since then. The grapes which made plonk on the flat lands have now been grafted over to Cabernet and Chardonnay to the delight of British supermarket buyers. The land was never good for much anyway. Up in the rocky Corbières, the situation is very different: the potential for good, if not great, wine is uncontested and Carignan still accounts for 55 per cent of the grapes, a figure to some extent dictated by the local *appellation contrôlée* or AOC. By law lumped with an unfash-

**We were impressed by consistent vintages from Château La Baronne**

ionable variety, they are still struggling to come to terms with Carignan.

This strikes me as strange. A generation ago the south found a winning formula, which was eventually recognised by almost all the local AOCs: they decided to improve the grape-stock with *cépages améliorateurs* or "improving varieties": these were the Rhône grape Syrah, and the Spanish Mourvèdre, Aramon and Alicante Bouchet could go, Carignan and Grenache would remain as the mainstay of a dark, spicy, southern cocktail.

In many parts of the Languedoc, in the Pic Saint-Loup and elsewhere on the steep *coteaux*, in the Corbières and Minervois, the results were an eye-opener: the south had discovered its potential for great wine.

The wine based on Carignan or Grenache was a *vin d'assemblage*, which gave it a complexity hard to achieve with just one cultivar. By sticking to Mediterranean grape varieties, the laws ensured flavours which

complemented local culture and gastronomy. In spite of the vast success of the new wines of the Languedoc-Roussillon, however, there are still a few doubting Thomases, as a debate held this summer in Corbières afforded ample proof.

We had tasted a range of wines made from a majority of Carignan, from the 1997 to the 1976 vintage. There had been some real plums. We were all impressed by a remarkably consistent series of vintages from the Château La Baronne, and only a little less by the Bois des Dames. The wine which seemed to triumph, however, was the 1986 Simone Descamps from Château Lastours, which had something of the figgy sweetness of a Californian Cabernet.

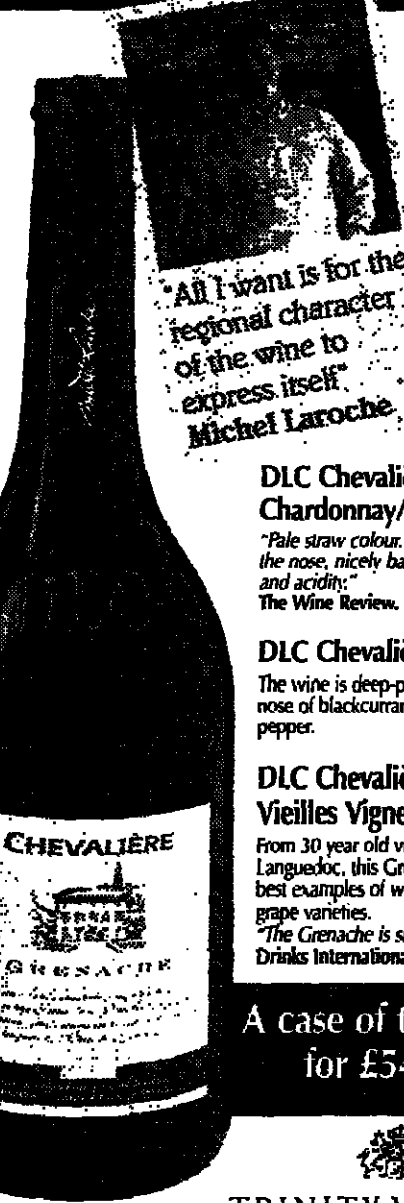
There was a general agreement that where the Carignan had appealed to tasters it has been produced from low-yielding, old vines from steep, hillside sites. The variety's apologists contested that it should be possible to get the same results from young vines, provided the yields were kept to a minimum. Philippe Mathias, who makes the wines as Château Pech-Latt, suggested that some vines be planted on an experimental basis. No one, it seems, has put down new Carignan vines since 1970.

This helpful suggestion was disputed by two other speakers. One believed that the sources for the best Carignan would almost certainly yield even better wine if they were planted with another variety. Syrah, for example. The other found the cultivar insufficiently persistent in its flavour and suggested the palate of Corbières wine be filled out with Cabernet and Merlot. The first speaker was a Burgundian, the second came from Bordeaux. Enough said.

**Information:** The Ferrer-Ribère Carignan is available from merchants Yapp of Wiltshire at £5.75. Tel: 01747-880623. For Château La Baronne call 0171-262 5437 for stockists. The 1993 Simone Descamps from Château Lastours is available from Threshers at £5.99.

## Domaine La Chevalière New Age wine "...superb!"

Drinks International



**M**ichel Laroche, Master of Chablis winemaking, now focuses on New Age wine from the Languedoc.

The Languedoc is the world's largest vineyard and Michel, with his winemaker Yves Barry, has created a magnificent range of wine under the DLC label. These wines rival the very best from the New World for ease of drinking and delicious fruit sensation on the palate.

The wines are made from the best grapes in the region, Yves Barry oversees the viticulture and vinification so that the wines are produced exactly as specified by Laroche and Barry.

**DLC Chevalière Chardonnay/Viognier 97**

"Pale straw colour. Very pineapple on the nose, nicely balanced between fruit and acidity." The Wine Review.

**DLC Chevalière Syrah 97**

The wine is deep-purple with an intense nose of blackcurrant, black cherries and pepper.

**DLC Chevalière Grenache Vieilles Vignes 97**

From 30 year old vines on the Languedoc, this Grenache is one of the best examples of wine from the Southern grape varieties. "The Grenache is superb." Drinks International.

**A case of these superb wines (4 of each) for £54.95 including carriage**

TRINITY VINTNERS

Fine Wines - selected by us, delivered to you.

• FULL MONEY BACK GUARANTEE • WE DELIVER WEEKDAYS AND SATURDAY AM.

Trinity Vintners, 12a Brick St, Mayfair, London W1Y 8DJ.

Call or fax to place your order, or visit our website

Tel 0171 493 6165 Fax 0171 493 6238

www.trinity-vintners.co.uk

OPENING HOURS: MON - FRI 8am - 8pm SAT 9am - 6pm SUN 10am - 1pm

A DIVISION OF UNITED DISTILLERS & VINTNERS (UK) LTD

**YOU DON'T HAVE TO BE AN EXPERT TO VISIT HARRODS NEW WINE DEPARTMENT. THOUGH YOU MAY BE ONE BY THE TIME YOU LEAVE.**



Connoisseur, buff, occasional drinker. You'll find a host of varieties in our new wine department. You'll also discover one of the broadest selections of wine in the UK, including the internationally acclaimed Ernest & Julio Gallo Sonoma range. If you insist on your Margaux being silky or your Pommard intense, advice is on hand from our highly knowledgeable staff, or you could pick up some tips from our superb wine literature. So, hurry along to the Lower Ground Floor at Harrods and don't forget to bring your nose.

**Harrods**

Harrods Ltd., Knightsbridge, London SW1X 7XL. Tel: 0171-730 1294.



## FOOD AND DRINK



Vegetable choices: many schemes around the UK now offer choice and flexibility when buying organic produce

Charles Stobbings/Anthony Blake Photo Library

## Cookery

# Jack and the Beanstalk: a modern organic story

Philippa Davenport knows her onions – and potatoes, carrots, beetroot and parsnips

I am thinking of moving to the Aberdeen area of Scotland or somewhere between Truro, Redruth and Falmouth in Cornwall. Attraction lies not in the des-res spotted in the FT Weekend property pages, seductive though they may be, but in the flavour-some vegetables I sampled recently from those two very different regions.

When I was asked to help judge the Vegetable Box Scheme category of this year's Organic Food Awards, my gastronomic expectations were not unduly high. The idea of weekly collections (or deliveries) from small local organic growers dotted round the country is not unappealing, and agent companies serving regional or national deliveries to city dwellers is laudable.

In theory, the scheme gives everyone access to vegetables as one would wish to grow them for oneself – without the hassle of gardening – freshly harvested produce, slow-grown in its own good time, tasting of itself, free of chemicals and genetic engineering.

I feared, however, that the selections might prove unimaginative, too repetitive week after week, and in quantities unsuited to my eating habits. The worthy-but-dull image was, I suppose, stuck in a sandals and lentils time-war.

I had visions of megaton marrows, anonymous potatoes, swedes large and solid enough to endure the thwack of a croquet mallet, cabbages and yet more cabbages. The truth proved far more palatable. Inspiration-

ally different, in fact.

Seven of us met to examine and sample the offerings of the shortlisted competitors. The seven were: Lynda Brown, the best cook-gardener I know, a lifelong and indefatigable campaigner for organics; Sally Clarke, talented chef-proprietor of the London restaurant of the same name; Sheila Dillon of BBC Radio 4's Food Programme; Barry Haughton of Rocinantes Restaurant in Bristol; Angela Mason of YOU magazine, sponsor of the Organic Food Awards; Nigel Slater, food writer and television cook; and myself.

A casual observer might have thought we were born-again children attacking our Christmas stockings, and starvelings at that. We dipped in voraciously, liked, sniffed, bit and usually swallowed. Most of the stuff was far too good to spit out. This was a tasting that turned into a meal.

There were one or two disappointments: a few sadly lacklustre vegetables, and one selection that was depressingly wintry. But the best was a revelation. There were Edzell Blue and Pink Fir Apple potatoes as well as Oostere and Sante, all listed by name, curvaceous little subergines, sculptural looking poppers and chillies bursting with individual character.

I snapped into the sappiest runner beans I have tasted outside my own garden, and marvelled at fingerling parsnips, carrots, radishes and young beetroot, all with vibrant foliage.

I rabbit-munched my way through a variety of salad-

ings and squeaky-fresh leaves, including cavolo nero, plain and ruby chard, summer spinach, effusive bunches of rocket, flat-leaf parsley and coriander, and a perfectly round green cabbage devoid of acridly aggressive brassica characteristics. I nuked tomatoes, ran a fingernail down the milkiest sweetcorn, and ate far more than my fair share of a wonderfully fragrant strawberry called Marie de Bois, a name new to me but one I shall remember.

I was struck by the absence of cloed good looks in these organic offerings, and by the absence of those anodyne textures and tastes that tend to be part of the intensive horticulture package.

These offerings lacked cosmetic finish. Their beauty came from an inner glow of good health and vigour. Flavours were full and deep, which is of course no guarantee that those accustomed to factory-farmed products will find them appealing at first bite.

The background notes accompanying each vegetable box reflected much enjoyment in, as well as strong commitment to, the scheme. A robust appetite for good food and a wish for others to share in it seemed major motivating forces, on a par with ecological, health and animal welfare concerns.

Some operators are succeeding in isolated places and inclement climates, where they may supply not only fresh vegetables but an invaluable community service.

Fieldfare Organics of Berk-

## Information

■ **The Shopper's Guide to Organic Food** by Lynda Brown is published by Fourth Estate, a paperback original at the, happily, ungreedy cover price of £7.99.

■ **Bridgefoot Organics** (Vegetable Box Scheme award winner) is at Newmachar, Aberdeen AB21 7PE. Tel: 01851-882041.

■ **Cusgarne Organics** (highly commended Vegetable Box Scheme) is at Cusgarne Wollas, near Truro, Cornwall. Tel: 01872 865922.

■ **For a full list of Vegetable Box Schemes operating in the UK, order The Soil Association's Where To Buy Organic Food booklet** (£5) by telephone: 0117-9290661.

hamstead, started by a couple considered too old to be employable, and now employing other lively pensioners, exudes a decidedly clubby atmosphere, offers discounts to cancer sufferers, and organises regular group outings.

Cusgarne Organics, near Truro (unanimously highly commended by the judges for superlative quality and value) is the labour of love of three generations of the Pascoe family, who have provided their growing band of aficionados with a 90 per cent own-grown vegetable box every week of the year for four years without a break. They raise beef, wild boar X pork and geese as well, and hold regular farm visits.

Most operators issue their own newsletters and a constant stream of recipe ideas. Some schemes are offshoots of farm-shops. Some grow for and run a weekly WI market stall as well as a vegetable box scheme. Some operate only during the local growing season and sell almost entirely own-grown produce supplemented by a little locally grown bought-in.

Others operate all year round and offer a combination of own-grown, locally grown and imported produce, the ratio of each varying according to season. Agent companies buy-in all they sell. In all categories, prices seemed modest.

Not all vegetable box schemes are faultless, of course. As in any other area, there are tip-top, second best and third rate. Tooing the line decreed by legislation on organics is not enough to

ensure excellent eating quality or good service. As always, it pays to shop around. But I was pleased to note that many schemes are more flexible than I had imagined, offering vegetable choices that change not only according to season but also to suit individual customer requirements.

If your family will not eat broad beans or Jerusalem artichokes, for example, most operators will offer a substitute vegetable. Similarly, if yours is the sort of family for whom, say, two cobs of sweetcorn or 250g of any vegetable is just not enough, most schemes will agree to offer you a large quantity of a few items instead of small quantities of many.

While fixed menu, fixed price, seasonal selection vegetable boxes are the norm, a la carte quantities to blossom. Colin Ward (whose Bridgefoot Farm in Aberdeenshire was proclaimed the outright winner of the owner-producer vegetable box scheme) sells Organic Allsorts: state your price, your likes and dislikes, and he will make up a seasonal selection box accordingly.

Alternatively, write out your own specific order, varying quantities of choice of produce each week if you want, and Ward will deliver it to your home or an agreed pick-up point. His vegetable selection is remarkable in its rich variety (doubly so when you consider his location), quality is marvellous, and the service is as efficient as it is friendly. Lucky Aberdonians.

Other categories in the Organic Food Awards were judged the following week. Breads and other baked goods, all manner of dairy produce, poultry, fresh and cured meats, fresh fruit and vegetables, cereals, confectionery, preserves, alcoholic and non-alcoholic drinks, vegetarian products, baby foods and convenience foods all came under scrutiny. The winners were announced at the end of last month at a ceremony where Britain's leading organic farmer, the Prince of Wales, made a splendidly inspiring speech and Anton Edelmann of the Savoy cooked up an all-organic banquet to celebrate the occasion.

The judging events were the best organised and most enjoyable I have taken part in, and they opened my eyes to some delicious discoveries. But what really astounded me was the number of entries – more than double last year's figure. Suddenly British interest

in organics has soared as fast and furiously as Jack and the Beanstalk's beans. For decades a few pioneering small food producers have been dedicated to the cause. At last the public has picked up the message, big food producers have pricked up their ears and supermarket chains are falling over themselves to climb on the bandwagon.

The public's change of heart probably has more to do with fear in the wake of food scares than anything else, and the conversion of large food manufacturers and supermarkets surely stems from perceived commercial opportunities.

No matter. The groundswell movement has begun. Organics have come of age. And, I believe, it is not unreasonable to hope that food standards will continue to improve and the nation's diet will change as a result – providing the momentum can be kept up.

What is happening now has been described as a consumer-led revolution. The bigger and stronger it grows, the greater the chances that organic foods could become the norm, or at least a real and affordable alternative for more and more shoppers.

The organic food revolution is an important part of the good food revolution. What it requires most is political will, and only mass shopping demand will persuade politicians. As long as we continue to say loudly and clearly what we want, and to support organic food when we can, the change to organic farming methods should be unstoppable.

So says Lynda Brown in the forward to her latest book. Brown is a fine food writer with an uncannily good sense of timing. Her *Modern Cook's Handbook*, originally published in 1993, now in Penguin at £8.99, pinpointed precisely the ingredients and areas of cooking about which today's young cooks need and want to know.

Bypassing the conventional roux-based sauce introduction to cookery, she proposed a radically sensible alternative: the couscous and roast vegetable approach to first-time cooking. This welcome breath of fresh air was followed a few months ago by another timely work of enlightenment, *The Shopper's Guide to Organic Food*. So eagerly was this snapped up that the initial print run sold out within eight weeks. Rapid reprints have kept tills ringing ever since, as befits the most important book of the year for those who care about what they eat.

## Restaurants

## Trippers try out the trippa

Nicholas Lander savours some different eating-out in Rome

Rome does not wait for the visitor to settle in. Within hours of our arrival we had survived a journey with a taxi driver entirely preoccupied with the radio, bail match on his radio, rather than the traffic, and swatted two persistent pick-pockets on the metro.

However, even if our introduction to Rome had not been so eventful, our first meal at Al Bric, just off the Campo dei Fiori, would have left us feeling like citizens of this eternal city already.

Al Bric is an open book of a restaurant. In its window which play an integral part in many first and main courses.

You can taste cheeses from Italy, including Capri, and France as well as compare Stilton, Gorgonzola and Roquefort on one plate. More specifically, you can taste just how versatile aged Preddipio pecorino is when it and Sicilian broccoli are stuffed into pasta or, even better, when it is transformed into a concentrated sauce for a slowly cooked lamb shank.

As you enter Al Bric you come face to face with the wine cellar which lines the small lobby. Most of the restaurant's walls are covered in wooden wine box ends. We made two discoveries, a 1993 Sandrone Cannubi from Barolo and a 1994 Nozzole II Pareto, a voluptuous Super-tuscan.

To complete Al Bric's openness, the kitchen in the far corner of the restaurant is glassed in so that you can watch before you savour. As we left I had a chat with the chef.

Like good Romans we began with antipasti, including highly superior chicken croquettes. We moved on to two halves of different pasta – a service many top Italian restaurants will offer the indecisive diner – and followed this with succulent grilled sausages with spinach. Finally, we ate a warm tart of wild strawberries.

If Al Bric represents the modern face of Roman cooking, then Piperno, in the former Jewish quarter by the Tiber, represents the more historic side, not just of Rome but also of the tradition of restaurant keeping.

We approached Piperno on foot over narrow cobbled stones – there was a taxi strike – in much the same way as its customers must have done in the early 19th century.

At 8pm precisely, the manager removed the door chain and allowed us and some equally keen Americans to enter.

The food spoke for itself. We enjoyed the *carciofi alla giudia*, artichokes Jewish style, a dish initiated in Rome but now widely copied. Entire artichokes were deep fried in oil so that they opened up like roses, their

The kitchen in the far corner of the restaurant is glassed in so that you can watch before you savour

leaves crisp and golden. Long salt cod fritters were mouthwateringly crisp thanks to the lightest of batters. This seemed the right place to enjoy *trippa alla romagnola* and so it proved with the meat lipsmackingly rich. Piperno's ice creams are equally rich and almost rivalled the most sumptuous chocolate dessert we ate later, a tartufo ice cream, at the Tre Scalinie café in Piazza Navona.

As in so many Italian cities, most good restaurants are closed on Mondays. An exception is Girarrosto Fiorentino, particularly suitable for a meat lovers' business lunch. The egg-shaped mozzarella from its antipasti were the creamiest I had ever encountered.

■ **Al Bric**, via del Pellegrino, 51. Tel: +39 06 6878533.  
■ **Girarrosto Fiorentino**, Via Sicilia 46. Tel: 06 42880680.  
■ **Piperno**, Monte De' Cenci 9. Tel: 06 68896629.  
■ **Also recommended**: *Satimio*, Via delle Colonnelle 14 (06 7895511); *Il Caminetto*, Viale dei Partiti 89, tel: (06 5833978) and for pizza, *Piazza Re* in the Via Ostiana (no bookings).

## Appetisers

## Chocolate figs and coffee

This season's chocolate figs have just arrived in the UK from Calabria in southern Italy. The figs are peeled, cut in half and stuffed with walnuts, orange and lime zest before being covered in top quality chocolate.

Together with the importers, Algerian Coffee Stores of Soho, London, the FT Weekend is pleased to kick off its food and drink offers for the winter with these two.

The first comprises one 500g straw basket of chocolate figs plus two 1lb of each of the following top quality coffees: Pack 1: Espresso/Cappuccino (Café Torino/Veluto Nero) Pack 2: Mild Breakfast (Connosseur/Columbian) Pack 3: After Dinner (Java/Mocha Parfait).

Please specify whether the coffee is to be in beans or, if ground, for which machine (Le filter, electric espresso, cafetière or stove).

The price will be £19.95 including p.p. The offer applies to the UK only.

The second offer comprises one 500g straw basket of chocolate figs plus 125g of the finest Darjeeling tea and 125g Assam tea leaves. Price £17.50, including p.p. Price £17.50, including p.p. anywhere in the UK.

All orders and payment to Algerian Coffee Stores, 52 Old Compton Street, London W1V 6PB. Tel: 0171-437 2480, fax 5470. Payment by cheque or major credit card. Please allow 28 days for delivery but do not write to the FT.

Nicholas Lander

**LACANCHE**  
THE SERIOUS COOKER FOR SERIOUS COOKS

With our comprehensive FREE WARNING BLENDER, you'll know when you're cooking a Lacanche cooker before 11th January 1999.

For brochures and stockists, contact: Fournisseur de France Ltd, Dept FT, 30 Albion Close, Newtown Business Park, Porth, Gwent NP23 2LL. Telephone: 01292 733011 Fax: 01292 733011

- Widest range of cookers available.
- Runs on gas, electricity or combination of both.
- Derived from professional cookers.
- Powerful performance with perfect control.
- Wide choice of accessories for greater flexibility.
- Chosen by many famous chefs for their homes.

The night husband packet fell

considered what the damage

W

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study

the result is a wardrobe which would make an elegant all-life study







## PROPERTY

## Gardening

## Call them vulgar at your peril

No longer beyond the pale, chrysanthemums should be re-examined, says Robin Lane Fox

If your early November weekend threatens to be gloomy, you are one of the many who have forgotten to grow chrysanthemums. These flowers have long had all sorts of symbolic associations in countries from China to France. They represent love, death or scholarly perfection, according to the culture in which you live. In parts of China, their fanciers used to examine them and mark them on a scale similar to the tests used in the famously difficult exam for entrance into the Chinese civil service.

I like the idea of coaching my chrysanthemums for an Oxford degree and deciding which deserve only a low second. In Britain, however, chrysanthemums are bound up with that other constant companion of gardening in action: the British sense of class.

Up the social scale, gardeners tend to look down on chrysanthemums as if they are rather common. They see mounds of them growing in simple front gardens. They dislike those yellow-flowered varieties in plastic pots from florists. Anything which calls itself a Mum and flowers like a fancy foot-high cushion is beyond the bounds of acceptability. Chrysanthemums have become déclassé and have receded into vegetable gardens where they can be visited but not automatically seen.

Like most barriers, this one asks to be broken. The entire family should not be damned because a few parts of it are used in odd ways. The choice is not between a Mums outing or an extremely complicated system of

training and spraying under glass. I have already had 10 weeks of chrysanthemums by the dozen, cut and enjoyed them indoors. They have been extremely simple because I have cut corners and cheated. Call them vulgar at your peril.

In these busy times, we can join the laborious process half-way in and let others do the initial work. Specialisation and contracting out have transformed most trades and at last are making their mark on the showier parts of gardening. I grew this year's chrysanthemums only from the end of April and had none of the bother of rooting, rotting or prolonged heating which deters busy beginners.

Nowadays, suppliers have learnt to assist a lazy public whose time is too precious to be spent on potting and fussing with cuttings in February and March. I turned to Halls of Heddon on the Wall, Newcastle-upon-Tyne NE15 0LS, which specialises in dahlias and chrysanthemums and is committed to helping customers cut corners.

If customers without heated greenhouses send in orders before early March, Heddon will deliver rooted cuttings of named varieties in late April or early May. Each cutting costs 95p for



The good flame-red Membury is a winner

Garden Picture Library

and growing them on for planting outdoors on May 15. It could not have been easier and I have not lost a single one.

The results have been extremely pleasing. I recommend you stop thinking about flowers for late October and choose the early-flowering varieties which have given me such a lift since the third week in August. They are quicker to perform than the exhibition varieties now showing in professional greenhouses.

Catalogues all mark varieties which will flower early without glass, but my winners are the old and well-loved bronze Max Riley, the good flame-red Membury and a pale yellow Dana which is good for cutting. The range of colours is widened if you also choose the two stalwarts, Allouise and the early spray Pamela. They come in white, peach, red and golden and all flower early enough to be fantastic value before the weather turns and causes other varieties to need glass. I ordered 20 rooted cuttings and have had half a dozen bowls filled with colour for the past two months.

Experts emphasise the importance of stopping early varieties in order to encourage side shoots and flowers. The catalogues tell you when to call a halt by removing the growing tip, or upper few

inches, of a young plant standing outdoors. I stopped mine at the end of May, which was probably too late, but nevertheless the side shoots have certainly multiplied and kept the season going.

The other two vital acts are feeding and spraying. I forked the fertiliser, fish, blood and bone, into the soil a day before planting the young cuttings out. From mid-July until mid-August, I sprayed the developing plants with diluted Phostrogen, stopping the food when colour began to show in the bud. The wet spells and the feeding clearly suited my plants.

Pests are a problem which should not deter you. Between May and July the young leaves look appetising even to us non-aphids, but mine escaped thanks to only two sprays with Tumblebug before any greenery emerged. The Wisley handbook calls the greenfly "virus vectors", but to you and me they are just a plain nuisance.

Leaf miners cause the leaves to curl up and look as though something is tunnelling through them. Again, Tumblebug keeps them away. In the wet autumn, mildew on the leaf might have been serious, but it did not materialise and can anyway be seen off by spraying with Supercarb.

These foes are all hazards, but are not inevitable. The main enemy of my chrysanthemums was a dry spell, not the insect kingdom. The plants need watching, but they are much tougher than this warning list suggests. You can perfectly well leave them while you take a summer holiday.

Can we be lazy and see these plants through the winter? Ideally, a parent plant should be cut down to about 6in, lifted and laid in a good peaty compost. It can then live in an unheated glasshouse or room and be brought back to growth by resuming watering and increasing the heat in early March.

Within three weeks, young shoots will be bursting everywhere and can be rooted extremely easily as the cuttings for next year. Alternatively, you can order again from Halls and reckon that the time saved is worth £30.

If you cannot bother with potting, you can cut the plants down, cover them with sandy soil, straw or peat to a depth of several inches and trust to luck. The early varieties will survive a very heavy frost under covering. They are a worthwhile gamble in light soil outdoors, especially in a sheltered corner away from New-castle or cold areas.

This year, I am swamped with lifted and boxed dahlias, so I will take the chance and cover over these chrysanthemums, hoping for a high survival next year. By Christmas, these stock plants may be frozen, but they will certainly not be vulgar. This year, I have happily awarded mine an Oxford first in the great chrysanthemums examination.

## On the Move / Anne Spackman

## Queues forming in the country

While London buyers are in a state of paralysis, buyers in the country still appear willing to move fast for special properties - though they will not pay exorbitant prices.

Outstanding houses and cottages are still attracting competition from buyers, who know that another similar opportunity is unlikely to come along in the near future.

Bidwells (01473-611644) has had queues of BMWs forming along the drive of the Dingle Stone House Estate on the coast at Dunwich, Suffolk. This unusual combination of a good house, sitting in the centre of its land, right by the sea, has proved irresistible. There have been inquiries from New York and Singapore as well as the UK. The guide price for the whole estate, which includes two lodges and about 600 acres, is £900,000.

Another Suffolk gem which was swiftly snapped up was the country hideaway of the author, Sir Angus Wilson. A small but pretty period cottage, tucked away in six acres of land, at the end of a country lane, it was under offer within a week. Strutt and Parker had set a guide price of £215,000.

Also attracting great interest is an exceptional Cotswold cottage in the village of Lower Slaughter. The Grey Cottage is in the heart of the village, with a view over the River Eye, a pretty garden and the unusual bonus of a garage. Set on three floors it has two reception rooms, three bedrooms, plus a studio room

taking up the entire top floor. Earlier this year, the same agent, Strutt and Parker, sold a similarly sized, neighbouring property for more than £350,000, having set a guide of £275,000. With the Grey Cottage, a price of £295,000 has been set to take account of the new mood of caution.

In his latest report on the country market, Quentin Jackson-Stops points out that buyers have suddenly become much choosier. Prices for the very best properties are still holding up - and in some cases increasing. But prices for the rest have become weaker. The part of the market which has fallen away most sharply, he

says, is for very large country houses which would have appealed to overseas buyers. They are not spending, partly because of the strength of sterling, but also for fear that values will fall.

## Asian chill

The Asian chill has not stopped some huge prices being paid in Sydney for apartments in the city's most prestigious new development. Three of the six properties at 28 Billyard Avenue, on the waterfront at Elizabeth Bay, have already sold, at prices ranging between A\$3.6m (£1.3m) and A\$7m.

Billyard Avenue is one of Australia's best addresses. In order to appease its neighbours the development had to be built low, with a mirror pond on its flat roof, to make it look like an extension of the harbour from above.

The building has a 1930s look, with huge curved glass windows and terraces looking out across the water. The apartments are on the scale of large family houses.

The largest, which is still on the market, covers more than 8,000 sq ft. Agents for Billyard Avenue are Sotheby's International in Sydney, tel: (0061)-2-4363 1000. In 2000, the Billyard Avenue apartments are likely to be one of the smartest bases from which



Dingle Stone House: the estate is attracting interest from around the world

to visit the summer Olympics.

The same agents have a similarly prestigious project for those who prefer winter sports in the home of the 2002 winter Olympics. Deer Crest is a new ski-in, ski-out resort being built in the Deer Valley in Utah. It will be a "gated community" covering 600

acres of woodlands, with a hotel, condominiums, individual lodges and all the ski lifts, restaurants and sports facilities which go with a fully-fledged resort.

Prices start from \$675,000 for the initial lots. Details from Sotheby's in California (001)-949-644 9200.

**PARAMOUNT BUILDING**  
A SPECTACULAR DEVELOPMENT  
OF 32 APARTMENTS AT  
206 - 212 ST JOHN STREET,  
CLERKENWELL EC1

SPACIOUS APARTMENTS  
COMPLETED TO A HIGH  
SPECIFICATION FINISH. FEATURES  
INCLUDE: WOOD STRIP FLOORING,  
INDIVIDUALLY DESIGNED KITCHENS,  
MARBLE FINISH BATHROOMS,  
DESIGNER LIGHTING, FULL HEIGHT,  
DOUBLE GLAZED WINDOWS  
OPENING ONTO BALCONIES OR  
TERRACES WITH GLASS  
BALLUSTADING. CAR PARKING  
AVAILABLE

ONLY 19 APARTMENTS REMAINING.  
850 - 2,200 SQ FT. PRICES FROM  
£240,000 - £1.3M

WEEKEND VIEWING BETWEEN  
10.30AM TO 4.00PM  
OTHERWISE BY APPOINTMENT  
REDEFINE THE WAY  
YOU LIVE

CONTACT WARNER LOFTS  
ON 0171 336 0011  
FAX: 0171 713 1404

**Point West Kensington**  
Five star living from £295,000

Viewing by appointment only, 11am - 6pm daily  
Cromwell Road London SW7  
Telephone 0171 373 3100

**REGALIAN**  
in a joint venture partnership

**SPORTING ESTATE**  
EXCELLENT SHOOT NOBLES

**THE WHITE TOWN**  
THE BISHOPS AVENUE

**INTERNATIONAL**  
NASSAU

**ALTA MONTANA**  
THE BISHOPS AVENUE

**SAINT TROPEZ**  
THE BISHOPS AVENUE

**FANDORIN**  
THE BISHOPS AVENUE

**THE BISHOPS AVENUE**  
THE BISHOPS AVENUE

صكرا من الامم



## COUNTRY PROPERTY

## FPDSavills



On the Instructions of the Foreign and Commonwealth Office  
**IRELAND, Dublin**

One of Ireland's finest period houses with extensive grounds having significant development potential.  
5 reception rooms, 6 bedrooms and staff accommodation.  
Secondary house, gate lodge and outbuildings.  
Majority of grounds zoned for development.  
Approx. 14.2 ha (35 acres)

For Sale by Tender: 2nd December 1998 (unless previously sold)  
Hamilton Osborne King, Dublin: 00 353 1 618 1300  
FPDSavills, London: 0171 499 8644  
e-mail: jmarking@savills.co.uk

## Jackson Stops &amp; Staff



**Cheshire**  
A superb 3 mile, Cheshire about 9 miles.  
A Listed Grade II Georgian country house in a magnificent parkland setting with 100 acres of land to the south of the house.  
5 reception rooms, 10 bedrooms all on suite, 3 bathrooms, 2 kitchens, landscaped garden and grounds, in all about 10 acres (1000 ft).  
At present a renowned country house hotel with excellent potential for conversion back to a country house. Best quality house.  
Apply: Jackson Stops, Ref 5128.  
Telephone: (01246) 228881.

## Le Weekend

Have you ever wanted to host your own exclusive country house party in a glorious house situated deep in the rural countryside, where you and your friends can be served by a first class chef and a highly trained butler and staff? Swim, play tennis or golf all day or visit local attractions like open and house museums.  
Suitable for up to 12 people. Styled in your requirements, the Le Weekend can be adapted to accommodate family or business conference or you can simply relax and indulge in a culinary extravaganza with your friends.  
Telephone: 0181 673 2715

## Knight Frank INTERNATIONAL



## Warwickshire

Warwick, Stratford-upon-Avon 5 miles. Royal Leamington Spa 3 miles.  
M42 (Junction 15) 1 1/2 miles.  
(Distances approximate)

A quite outstanding and distinctive choice of unique properties located in the grounds of an Historic Grade II Listed building with views over Warwick Castle and the surrounding park land

Apply: Sales Office 01926 408791  
& Knight Frank, Birmingham (0121) 236 0777 or Stratford-upon-Avon (01789) 269853  
(Pictures showing a selection of properties)

STRATFORD-UPON-AVON  
Tel: 01789 269853  
8 Union Street, Stratford-upon-Avon, CV37 6QJ  
e-mail: stratford@knightfrank.co.uk

BIRMINGHAM  
Tel: 0121 2360777  
89 Colmore Row, Birmingham B3 2SD  
e-mail: birmingham@knightfrank.co.uk

## LONDON PROPERTY MARKET

21 November 1998

## World-wide Colour Property Supplement

The Financial Times on the 21st November will publish a world-wide colour supplement on:

## "The London Property Market"

This opportunity should provide a perfect advertising vehicle to all property agents and developers who are currently promoting their properties within the Capital and Commuter belt.

Renowned for award winning editorial and excellent colour reproduction, this supplement will be distributed to an affluent audience of 1.2 million people in over 140 countries.

Prime positions in mono-colour are still available, however, due to demand it is recommended to book early to avoid disappointment.

Preferential rates are being offered to those who wish to advertise within the London Supplement as well as one of the forthcoming world-wide colour supplements in the New Year.

For further information please contact:

The Property Team in London  
Tel: +44 171 873 3211/3591  
Fax: +44 171 873 3098  
e-mail: robert.bryson@FT.com

FINANCIAL TIMES  
No FT, no comment.

**East Malling, Kent**  
Attractive 5 Bed Victorian Farmhouse in rural position with commanding views. Farm Buildings and 54 acres mainly top and soft fruit.  
Offers in region of £320,000.  
Detached 3 Bed House and 3.8 acres.  
Offers in region of £205,000.  
Lambert & Foster (01892) 832325

**SOUTH DEVON**  
**LINDRIDGE PARK**  
Exceptional detached house only two years old, situated in a most enviable position overlooking the sea with sea views and 20 acres of superb gardens, including a swimming pool and tennis court.  
Enter and see 12 miles.  
Selling and view 24 miles.  
Turquoise 10 miles, London by rail 2 1/2 hours.  
Prices from £375,500  
Savills Estate Agents  
Tel: 01626 776548 Fax: 01626 776759

**FPDSavills**  
**OXFORDSHIRE**  
Northampton, Oxford 10 miles  
(10 miles, 1000 ft, 8/100 ft)  
AN ELEGANT GROUND FLOOR FLAT IN THE WEST WING OF BEAUTIFUL WILTON PARK, WITH VIEWS ACROSS PARKLAND TO THE POLO GROUND.  
Dining Room, Kitchen, Two Bedrooms, Bathroom, Shower Room, Double Garage, Communal Gardens.  
Region of £225,000 - £250,000  
All Enquiries  
FPDSavills Estate: 01892 228881

**fed up?** **too busy to search?**  
Let us find your next home for you. We are specialist HomeSearch agents covering Berkshire, Buckinghamshire & Oxfordshire. Call us on: 01494 681701  
WILSON LAMONT PROPERTY SERVICES LTD

## SPORTING ESTATE

**EXCELLENT SHOOT NORTH-WEST KENT**  
AVAILABLE FEBRUARY 1999  
SHOOTING RIGHTS over 1800 acres of the North Downs  
Well laid out to present outstanding sporting birds.  
Max. 8,000 pheasants to be put down plus partridge.  
Emphasis on quality not quantity.  
Strong nucleus of Syndicate could be available.  
Keeper's Cottage.  
Interested parties should write with full cv. to  
Bar No. R4175, Financial Times, One Southwark Bridge, London SE1 9HL

## LONDON PROPERTY

## START 1999 IN REAL STYLE

MOVE QUICKLY AND YOU COULD BE THE PROUD OWNER OF AN EXCLUSIVE OCTAGON COUNTRY RESIDENCE IN EITHER OXSHOTT OR ESHER SURREY BY THE END OF THE YEAR



READY THIS YEAR

**Sylvia (pictured top) The Crown Estate, Oxshott.** Stylish 5 bedroom detached house on the renowned Crown Estate. Priced at £1.25m.  
Contact selling agents: Black Horse Agencies on 01372 468 444 or 01932 866 931

**Milburn Wood (pictured above) off Copsen Way, Esher.** Two impressive five bedroom detached houses, with individual gated entrances, situated close to delightful green belt countryside. Priced at £875,000 and £950,000 freehold.  
Contact selling agents: Black Horse Agencies on 01372 468 444 or 01932 866 931

TEL: 0181 481 7500 FAX: 0181 481 7501

**THE AMERICAN AGENCY**  
Creators of Investment Grade Properties  
Tel: (0171) 581-3353 Fax: (0171) 584-5078  
London • Weybridge • Cobham

**Lane Fox**  
**BACHELORS PENTHOUSE**  
A very well presented top floor penthouse with terrace done in nice minimalist/contemporary style being sold by busy Canary Wharf banker who needs more space.  
£995,000 Long Lease  
0171 225 3866

**Lane Fox**  
**2400 SQ FT OF HEAVEN**  
On third/fourth/fifth floor of magnificent period building with panoramic views over London and huge roof terrace and must be viewed immediately.  
£350,000 Long Lease  
0171 225 3866

**LETTINGS**  
**BARBICAN** 2 bed newly decorated apartment. Daniel Watney 0171 253 4414  
**CITY** 2 bed 2 bath turn in new development. Daniel Watney 0171 253 4414  
**WICI** Bright large 1st apartment including all utilities £275pw. Daniel Watney 0171 253 4414

## THE WHITE LODGE,

## THE BISHOPS AVENUE, KENWOOD - N2

A magnificent detached house supremely located at the end of a private cul-de-sac and set in glorious secluded grounds of approaching 1 1/2 acres.  
The house is beautifully appointed and comprises approximately 13,000 sq. ft. including an outstanding indoor swimming pool complex.

6 reception rooms, kitchen/family room, 8 bedrooms, 8 bathrooms.  
Staff accommodation. Swimming pool, sauna, garage, parking, magnificent gardens.



Price on application

**HAMPTONS**  
21 Heath Street, Hampden NW2 6TR  
Tel: 0171 794 8232

## INTERNATIONAL PROPERTY

**NASSAU**  
PRE-CONSTRUCTION PRICES FROM \$610,000 TO \$1.5 MILLION  
Today Living in Nassau Has Reached A New Level.  
Introducing Nassau's First Five Star Oceanfront Address.  
For further information call (409) 307-0112 • Fax (409) 307-0114  
Or Visit Our Sales Office on Cable Beach  
Website: www.bayroc.com  
Email: info@bayroc.com

**LA JOYA, BEAUTIFUL ANDALUCIAN COUNTRYSIDE NEXT TO THE ALBUJOLA.**  
Large country plot on the outskirts of Guadix, Malaga, Spain with established trees, 72,000m² with main water and sewer water, electricity, Barn and remains of the old Corral, 50 minutes from Gibraltar - £300,000 one.  
Contact: HAMPTONS  
Tel: (350) 74501 Fax: (350) 75525  
e-mail: lajoya@hamptons.com  
Tel: 0171 225 3050 Fax: 0171 225 3053

**MALLORCA**  
NORTHWEST COAST  
Specious, luxuriously appointed VILLA.  
3 beds, 2 baths, terraces.  
Sea views, 72,000m² with surrounding garden (1.315 m²).  
Magnificent sea and mountain views.  
Price: 70,000,000.-  
CASA VIVA  
Tel/Fax: 0634971-433285  
e-mail: casa@viva.com

**KILLINGTON - VERMONT USA**  
Country & Ski Resort Properties  
Excellent Rental Potential  
802 422-3254 / 802 422-4555 Fax  
e-mail: Pinnemayr@aol.com

**SAINT TROPEZ**  
Superb Modern Villa in 1 Acre Garden.  
2 Reception rooms, 5 Bedrooms/Bathrooms.  
Great Amenities, Pool & Poolhouse, on Private Domain with Club House, Tennis Courts and direct access to Sea.  
For Sale at only FF 10.5 million.  
COLOUR BROCHURES 0181 291 9966

**3 LARGE TERRACED TOWN HOUSES AND GARDEN**  
4 bedrooms, 2 bathrooms, garage, fully fitted kitchen, dining room and living room, large terraces, with beautiful sea views front side and golf course at rear overlooking Durdley Park, Malaga, Spain 20 minutes from Gibraltar - £115,000 each and  
Contact: HAMPTONS  
Tel: (350) 74501 Fax: (350) 75525  
e-mail: lajoya@hamptons.com  
Tel: 0171 225 3050 Fax: 0171 225 3053

**LANDLORDS**... check out the best investment opportunity.  
Johannes Bahmann Limited Ltd  
Phone: 0181 225 3429  
Fax: 0181 225 3429  
Email: info@bahmann.co.uk

**SPANISH PROPERTY NEWS** The only property magazine just for Spain.  
Free copy Tel: 0181 297 9194

**FRENCH RIVIERA** property sales and rentals. 100% of colour photos on our web-site. www.coast-estates.com.  
Coast and Country. The English Coast Agents on the French Riviera.  
Tel: +33 (0) 4 92 92 47 50

**FRENCH PROPERTY NEWS** Monthly column, new & old properties, legal column etc. Ask for your FREE copy now Tel: 0181 947 5884



## TRAVEL

# Where Italian beauty hides its face

Giles MacDonogh explores the art, culture, countryside and food of Lombardy

There's an awful lot of Italy: much more than just Venice, Rome, Florence, the Amalfi Coast and summer holidays in Chianti. There are whole regions of unforgettable beauty, soaked in culture, almost wholly ignored by many travellers. I suspect that much of Lombardy falls into this category, and I know now that this is a pity.

The region centres on throbbing, businesslike, industrious Milan. Factories spill out of the city and their grimy, gaudy buildings line the motorway half the way to Venice. The treasures lie concealed behind the road.

Take Bergamo, for example. The lower town was heavily scarred in the second world war, but the upper town is still a gem encased in 16th century walls. At the centre of it is the 12th century Palazzo della Ragione and tomb of the great condottiere Bartolomeo Colleone, decorated with busts of Caesar and Trajan, because - it is said - like him, they never lost a battle.

Next door is Santa Maria Maggiore with its choir stalls designed by the cinquecento Venetian painter Lorenzo Lotto. It was Lotto I

had come to see, with his positively Germanic eye for detail blended with the gorgeous colour of contemporary Venice. Bergamo recently entertained the superb Lotto exhibition - only the second ever - between stints in Washington and Paris.

Lotto lived in Bergamo for a dozen years where not only did he paint the city's patricians, but his pictures hung in many of the city's churches. The works are enriched with dense allegories which were admirably unravelled for me by a local guide who was superbly informative without once being condescending.

My cicerone at Rodengo Abbey was none other than Fra Antonio, one of five Olivetan monks who echo through the huge halls like so many peas in a Brobdingnagian pod. On the promise of British postage stamps (he is a keen collector), I was shown round many of the rooms not generally visited by the public.

The foundation goes back to Charlemagne's time, but the physical appearance of the monastery today owes much more to the 15th and 16th centuries, when it was rebuilt by the Benedictines of Montecassino near Siena. They constructed the three cloisters and commissioned



Lago d'Isèo, possibly the least known of Italy's pre-alpine lakes. Its most notable feature is the island of Monte Isola

the painters who decorated - among other things - the lovely sacristy with its scenes from the life of St Benedict.

When the French exported their revolution to northern Italy, the abbey was closed. Until 1974, five dozen farmers shared the huge complex, storing their grain and keeping their pigs in the deserted halls and cloisters. Then the local boy, Pope Paul VI, stepped in to restore Rodengo to a more fitting vocation. Apart from its handful of monks, the abbey

also lodges itinerant exhibitions and travellers, the latter in a suite of Spartan rooms just along from the monks themselves, provided they are genuinely looking for a meditative retreat.

Not far from Rodengo is the Lago d'Isèo, the least known of Italy's pre-alpine lakes. Its most notable feature is Monte Isola: at 9km (5½ miles) in circumference, the largest lake island in Europe. Two thousand people live here in a car-less paradise, fishing, netmaking and tending their olives and

smallholdings; or running the bars and restaurants which cater to a very local tourist trade: chiefly Sunday outings for the workers from the factories in Brescia.

The food served is magnificently individual. The mainstay consists of "sardines": a local fish hung out to dry then steeped in oil to make them pungent and strong flavoured. As I discovered at the restaurant La Foresta, the smaller fish are either preserved in vinegar, or deep-fried like whitebait. There is also pike, catfish

and tench; but the real treat is the *coregone* or pollan, a very delicate freshwater fish which costs a small fortune in Geneva or on the Lac du Bourget in France.

The ferry to the lake port of Isèo takes you past the tiny island of San Paolo. A former monastery framed by tall cypress trees, it is now the home of a branch of the Beretta family, the small arms manufacturers from Brescia.

Isèo is a pleasant little town which used to be dominated by the Oldofredi fam-

ily. Their castle now serves as municipal offices. Opposite is Il Volto, the town's best restaurant, and the place to get to know the small winemaking region of Franciacorta, south of Lake Isèo.

Here I ate a pâté of tench: a pig of a fish. I recalled a desperate battle with one as a 10-year-old boy, when I was all but dragged into a Sussex lake. It was surprisingly clean-tasting for such a notorious bottom-feeder. Tench is highly prized in Franciacorta: every July there is a

tench-eating festival in nearby Clusane.

The two other famous local dishes followed: *tagliatone* with lake fish and *manzo all'oltà*, slow-cooked beef with olive oil and parsley. The meat was tender and went down a treat with a good red wine from Franciacorta. Like the region, these Lombard recipes deserve to be better known.

■ Rodengo Abbey, Tel: +39 30 610182 Rodengo (Brescia).  
■ La Foresta +39 30 9386210, rooms at £24.  
■ Il Volto +39 30 981462.

## HOLIDAYS &amp; TRAVEL



ALMATY loves you. BUDAPEST loves you. BUCURESTI loves you. DNIPROPETROVSK loves you. KRAKOW loves you. KOSICE loves you. KYIV loves you. LJUBLJANA loves you. MOSKWA loves you. MINSK loves you. ODESA loves you. PRAHA loves you. RIGA loves you. SARAJEVO loves you. ST. PETERSBURG loves you. ...\*



Sofia also loves you. And so do Beograd, Skopje, Kharkiv, Tallinn, Tbilisi, Timisoara, Tirane, Vilnius, Warszawa, Wrocław and Zagreb. And our new destinations Anapa

and Astana will love you, too. After all, distance does make the heart grow fonder: just like our route network to the East currently serving 29 destinations in 21 countries.

So now you have the opportunity to fall in love all over again.

Visit our most friendly website: <http://www.aal.com>

AUSTRIAN AIRLINES

THE MOST FRIENDLY AIRLINE.

## Weekend FT Travel Supplements

The Weekend FT will be publishing further pull-out travel supplements covering holiday ideas from long haul and short haul to city breaks and skiing on the following dates:

16<sup>th</sup> January 1999  
20<sup>th</sup> February 1999  
8<sup>th</sup> May 1999

For advertising information please contact:

Helen Jeyes

Telephone: +44 171 873 4457

Fax: +44 171 873 3765

email: [helen.jeyes@FT.com](mailto:helen.jeyes@FT.com)

FINANCIAL TIMES

No FT, no comment.

An island through Looking



## SKIING

AUSTRIA • CANADA • FINLAND • FRANCE  
GERMANY • ITALY • NORWAY • SWITZERLAND

Cross Country Ski  
WAYMARK HOLIDAYS

01753 691404

WAYMARK HOLIDAYS

FRANCE IN WINTER

France Low

0171 483 4400

LUXURY SKI

01248 407 333

USA CANADA

0202 350 350

HIMACHA

HELICOPTER SKI

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404



## TRAVEL

# An island seen through the Looking Glass

There were surprises for Bill Glenton on the Isle of Man – not least its growing film industry

I had prepared myself for some strange experiences. Any place that has three legs for an emblem and breeds tailless cats just had to be odd. However, the last thing I could have expected was my encounter with the Jabberwock.

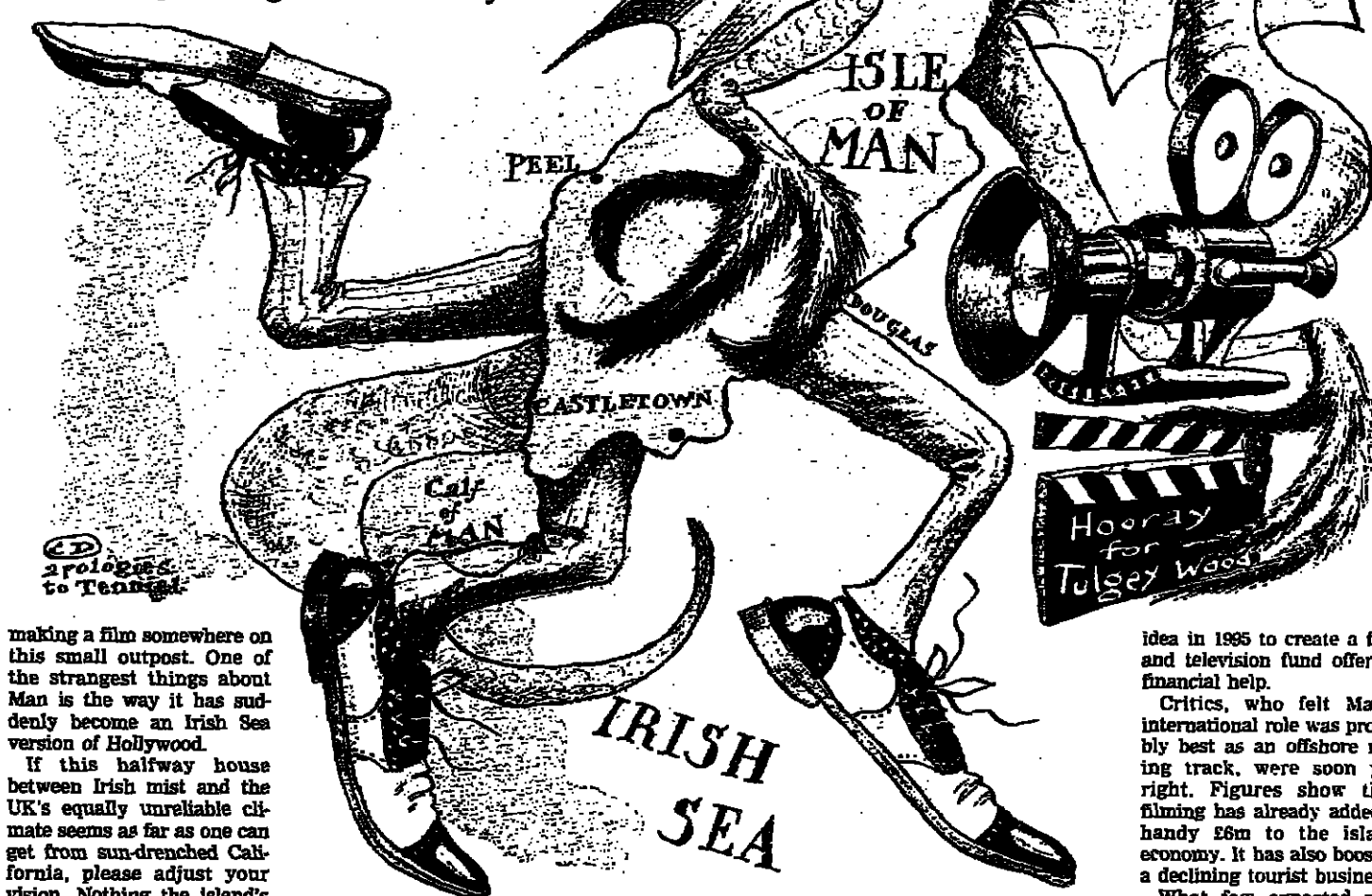
It was not the only surprise I was given on what had looked such an innocently peaceful, richly green Irish Sea outcrop as I flew in from mainland Britain. Within just an hour or so, however, I appreciated how confused Alice felt stepping through the Looking Glass.

Perhaps if I had taken the Isle of Man's rich store of tales of fairies and witchcraft more seriously, I should not have found the odd slithy tove, mome rath and borogove, along with the Jabberwock, all that unusual. I might even have anticipated them in this, the centenary year of the death of Lewis Carroll.

During my visit the reality certainly proved as strange as fiction. Almost everywhere I went around the 227 square mile flint-shaped island, I chanced on some scene from the Looking Glass story.

There in a wood (a tulgey one?) Alice was meeting Humpty Dumpty. Not far away the Walrus and the Carpenter had been taking those unfortunate oysters for their all too consuming stroll. All of this and more of her adventures besides, I had better explain, were for the benefit of a TV unit making a film to commemorate the Carroll centenary.

It was all very intriguing, yet a visitor would be hard put these days not to find some cinema or TV crew



making a film somewhere on this small outpost. One of the strangest things about Man is the way it has suddenly become an Irish Sea version of Hollywood.

If this halfway house between Irish mist and the UK's equally unreliable climate seems as far as one can get from sun-drenched California, please adjust your vision. Nothing the island's fairies and witches can conjure compares with the way film makers have transformed Man into a tropical Caribbean isle, the rugged Falklands and even parts of cities such as Bristol and Hamburg.

During the last two years a score of popular cinema and TV productions have been shot in part or whole on Man. They include: *Treasure Island* with Jack Palance and Patrick Bergin

(which is released later this year); *Shif Uppir Laps*, with Peter Ustinov and Prunella Scales; *Shergar* with Mickey Rourke and Sir Ian Holm; and *Everybody Loves Sunshine* with David Bowie, which will be premiered next year.

All this might stretch even the imagination of Lewis Carroll yet, on my exploration, I found plenty to appeal to film directors, particularly

those of period productions. With its ancient castles, cozy fishing harbours, white-washed cottages, well-preserved Victorian promenades and plenty of varied, unspoilt scenery, the Isle of Man looks a ready-made conversation area.

The island, which is very compact, also has a rich choice of active vintage transport, such as its steam, electric and cog railways. I

was transported into the past just listening in my hotel room to the clip-clop of the horse-drawn trams along the Douglas seashore.

Add Man's distinctive Celtic-Norse culture – and, like me, you might wonder why its venerable Court of Tynwald and House of Keys parliament did not get around to encouraging film makers sooner. But it was a bold

idea in 1995 to create a film and television fund offering financial help.

Critics, who felt Man's international role was probably best as an offshore racing track, were soon put right. Figures show that filming has already added a handy \$8m to the island economy. It has also boosted a declining tourist business.

What few expected was the surprising way in which the usually laid-back Manx people flocked to take an active part of film making. Hundreds work in all manner of jobs from scenery painters and drivers to production assistants and extras. For some it has transformed their lives completely.

John Danks, a Douglas traffic warden, finds himself popular in his new role as a casting agent for islanders.

Sally Jagger's boarding kennels have become more a menagerie as she has turned to supplying anything from a snake to a donkey for the films. Several locals have even been launched on an acting career.

Local builder Brian Gilks keeps exchanging bricks and mortar for more esoteric parts in productions. He performs in the *Looking Glass* film, although no one will recognise him dressed as the walrus.

More obvious yet more remarkable was his partner acting the role of the carpenter. Usually seen in dignified business suits, John Cashon is none other than the island's chief financial officer. Not that anyone ever asks him for his autograph. No need. It is on every Manx banknote.

I would not have been surprised to find a bank manager or accountant playing the parts of Tweedledum and Tweedledee. In fact, Humpty Dumpty did look rather like a stockbroker – fearing a fall on Wall Street, perhaps.

The financial world plays an important role altogether in island affairs these days. It used to be said that Man "exported kippers and imported trippers" but now few of its old smokehouses remain, while scores of offices for investment and insurance firms have appeared.

Flights from all over the UK are busy with business traffic, while the once large sea ferry fleet has declined from the days when tens of thousands of visitors poured ashore from Lancashire and North Wales. The only

crowds today are the armies of bikers who come over for the TT races in spring and the grand prix in late summer.

More hotels are being converted into apartments and offices while others, such as the Regency with a fax machine in its rooms – and where I stayed – have been refurbished for business guests. Much of the former chips-with-everything catering style has been changed to cuisines which suit the fustier tastes of the growing number of new residents.

This influx has created fears as well as prosperity for some native islanders. It certainly worried the old fisherman sharing a remarkably deserted sandy beach in old Peel last August.

Soulfully he told me: "I remember when you couldn't move here for trippers but, at least, they all went away again. Now they newcomers living here is taking over the island. We was better off with them when I was."

"When I was"? Were these more of Carroll's fantastic characters? Apparently not. It transpired that they were Britons who, lured by low taxes, retired to Man to form their own colony after long service in the empire.

My fisherman explained: "They were always telling us how much better off they were 'When I was in Poonia' or some such place." They – and the empire – have now mostly gone and so, sadly for the native Manx, has their centuries of dominance. In 1997, for the first time, they formed just under half the island's resident population. They fear a further decline in their numbers and their unique culture.

To this outsider, however, they still seemed to be making a pretty good job of retaining their individuality. I found Man refreshingly different even without the *Looking Glass* fantasies. Anyway, I should think that any place that can transform itself into such locations as extreme as a tropical island or the city of Hamburg can adapt to whatever it wants.

Information about all Manx activities, including accommodation and sightseeing, can be had from the *Isle of Man, Isle of Man, Isle of Man* Terminal Buildings, Douglas, Isle of Man, IM1 2RG. Tel: 01624-686760, fax: 686800.

## HOLIDAYS &amp; TRAVEL

## SKIING

AUSTRIA • CANADA • FINLAND • FRANCE  
GERMANY • ITALY • NORWAY • SWITZERLAND

## Cross Country Ski

With WAYMARK HOLIDAYS

FROM GENTLE TRACKS TO INCHWORM TUNNELS

Small groups of experienced leaders • Holidays for beginners and advanced skiers • Ski equipment and instruction included • Accommodation in comfortable hotels • Flights from London, Birmingham, Manchester and Scotland

CALL US TODAY OR SEND FOR OUR BROCHURE

WAYMARK HOLIDAYS

44 WINDSOR ROAD, SLOUGH SL1 2EJ

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

01753 691404

## YACHTING

YACHT CONNECTIONS

AFFORDABLE CREWED YACHTS WORLDWIDE

Cruise the Caribbean, Mediterranean, Seychelles & South Pacific.

All yachts and crews personally known to us.

Tel: 01590 671667

Fax: 01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

01590 671667

01590 671668

## SAFARI

HARTLEY'S SAFARIS

SPECIALISTS IN SOUTHERN AFRICA

SAFARI TRAVEL

PLEASE CONTACT US TO DISCUSS YOUR TAILORMADE ADVENTURE

Tel: 01488 685055

Fax: 01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

## SAFARI

HARTLEY'S SAFARIS

SPECIALISTS IN SOUTHERN AFRICA

SAFARI TRAVEL

PLEASE CONTACT US TO DISCUSS YOUR TAILORMADE ADVENTURE

Tel: 01488 685055

Fax: 01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

01488 685055

## AUSTRALASIA

AUSTRALIA IN STYLE

Sydney, Ayers Rock, Great Barrier Reef.

2 nights stopover at the Mandarin Oriental, Hong Kong.

5 nights in Sydney at the ANA overlooking the harbour.

2 nights at Ayers Rock at Salt in the Desert.

5 nights Orpheus Island, Great Barrier Reef.

14 nights from £2,845 per person.

To create your own luxury itinerary call 0171 584 3335 or visit our shop.

Select



## TRAVEL

# What's really hot in the Caribbean

**James Henderson** has been out and about, finding what's new on the islands

It is that time of year again. People are sharpening their swords and plotting, turning their thoughts to paradise. Now that in Britain the evenings have drawn in, it is time to plan the annual crusade against winter.

It is not exactly a penance, granted, but I would say that the winter Caribbean trip is approached with every bit as much relish, attention to detail and basic, visceral feeling, as were the Crusades of centuries ago. It is just that you can get paradise now. And you will consult a travel agent rather than a priest. They have the information to tell you just what precise brand of paradise is on offer.

Actually there has been a lot of change on the Caribbean scene in the run-up to this winter season. It consists more in reopenings and refurbishments of the hotels than actual openings of new properties, but interestingly, quite a few developments have reappeared in the brochures or crept in for the first time. The brochures are reflecting a broader spread as travellers begin to request new areas. As always, you should not hesitate to contact the specialist Caribbean operators direct when deciding where to go. They are better informed than travel agents, who simply sell from the brochures.

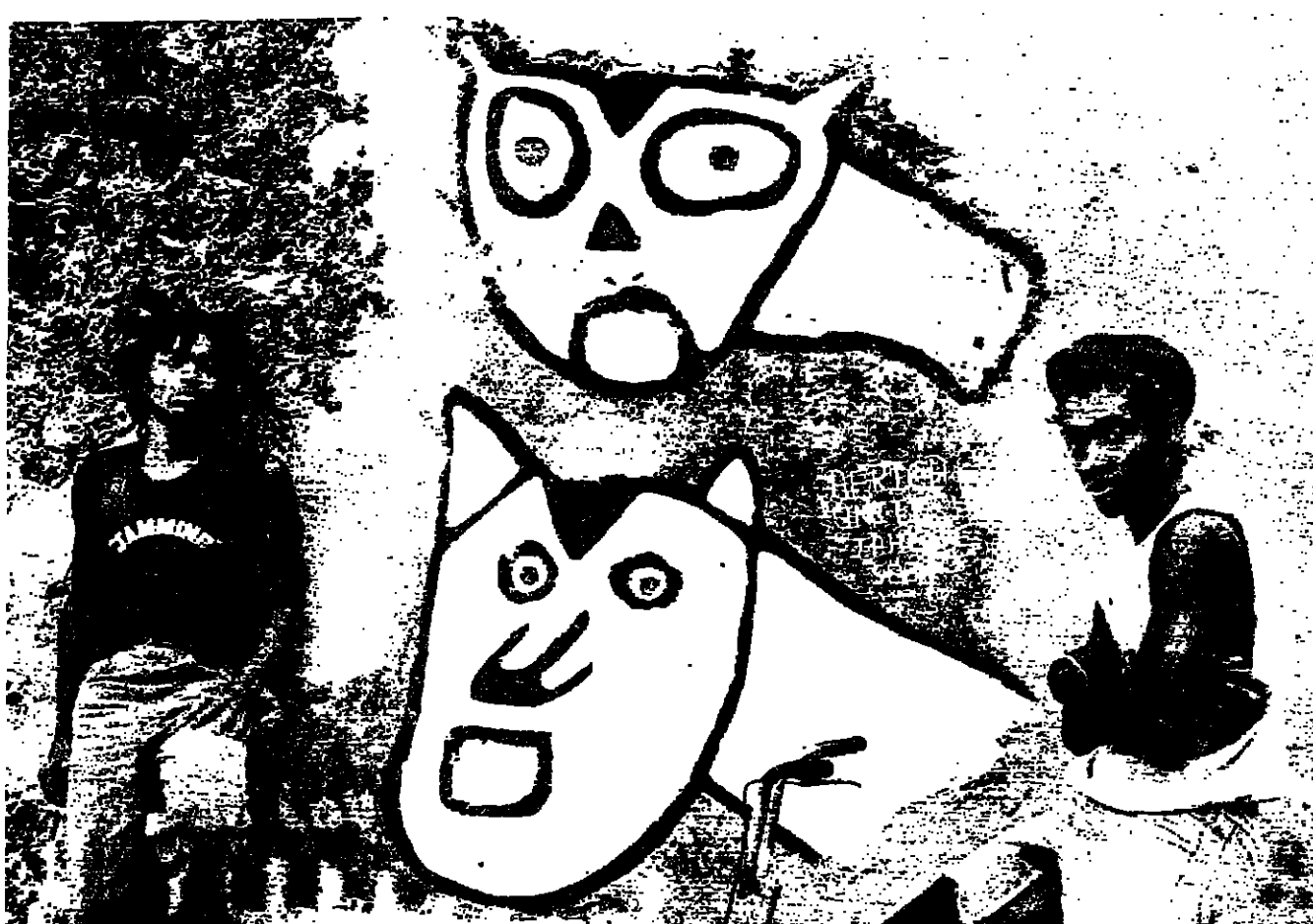
Hurricane Georges touched some islands, forcing properties to close to tidy up and repaint (hurricanes really have been known to strip the paint in some cases) and delaying some openings after their normal off-season closure. Most hotels in the eastern Caribbean islands will be back on stream by December 1.

It might be a bit too much to expect to be bathed in milk by virgins nowadays, but you can at least be flown to the Caribbean by one of them. Virgin has recently started to fly to Barbados, Antigua and St Lucia.

St Lucia has made a mark on the UK travelling public over the past few years and Windjammer, the hotel and villa complex for so long a favourite with British travellers, but one which had grown a little tired, has been given a going over. It is now in good condition again, with new central areas and rooms in refurbishment as you read. Just down the beach, the East Winds Inn continues to proffer high-grade, low-key luxury in a charming setting.

If you have not come across the south-western corner of St Lucia, then it is well worth considering because it has a small clutch of excellent hotels in magnificent settings (Anse Chastenet, Ladera, the Jalousie Hilton). Two of the big UK companies, Caribbean Connection and Elegant Resorts, are speaking particularly highly of the Jalousie, which sits between the Pisons. The service is slick and there is a fine spa and a new beach with imported sand.

In Antigua, another British favourite has come back on to the market. Blue Waters, which never really recovered from Hurricane Luis in 1995, has been upgraded and is in fine condition. It will reopen on December 1. Jumbay Bay, which sits on its own island offshore, went into receivership earlier in the year, but it is reopening next month under the management of Rock Resorts (they handle Little Dix Bay and



Caribbean Image: a developing trend is for people to explore more and find out about local life on the islands

Caneel Bay in the Virgin Islands), so it is back in its American-style five-star niche. Big plans are afoot for developments next summer - 30 more rooms and a spa.

With the delightful Pink Sands on Harbour Island in the Bahamas so difficult to get into, Caribours is also offering the Romora Bay Club, which has called in a three-star Michelin chef for the winter.

In the Turks and Caicos Islands, Parrot Cay has opened - 56 rooms and villas and modern American-style luxury, including a spa, on its own island. Another raucous and charming hotel which

has built a following since reopening two years ago is the Eden Rock in St Barts. It is owned by a Yorkshireman and his wife, who have refitted all the rooms for the coming season.

As people come to know what to expect of the Caribbean, so catered villas become more and more popular. Barbados is the traditional favourite, along with Mustique and St Barts, but villas are available in almost all the islands. Two choices which seem to be popular at the moment are Grenada and Tobago.

Another developing trend is that people are looking to explore more. A stay-sail package enables you to visit some of the smaller islands, say in the Grenadines, and spend time before or after

wards in a traditional hotel. This is offered by most operators. Although most of the companies promise a tailor-made service, they tend to be working from a limited number of hotels - the ones mentioned in their brochures - and they do not necessarily have much knowledge beyond that, so it is worth considering those that specialise in smaller and farther flung properties (many of these hotels have just a few rooms and so a large tour operator cannot justify carrying them).

Harlequin Worldwide makes an effort to find places off the beaten track and in the lesser known islands. This year it has included a couple of new resorts in the French Caribbean, including the Folle Anse hotel on the tiny island of Marie Galante off Guadeloupe (named after Columbus's flagship on his second voyage to the Caribbean - the island was the first landfill), which has rooms in creole-style cottages.

There is also the Manoir de Beaugard in Martinique, which has come back on line, too, after slow reconstruction following a fire that destroyed it and much of its antique feel in the early 1990s. If you know Grand Cayman already and have always wondered about Little Cayman (an

easy life and absolutely magnificent diving), then Harlequin is offering the Southern Cross Club, which has a typically low key but dependable atmosphere.

Feona Gray of the Owners' Syndicate, which is offering charming small resorts, has seen a large increase in the tailor-made product, with people asking for smaller properties and less known islands. Tobago is a good example of an island where there are a lot of characterless hotels, but some smaller properties with real charm. These include the tiny Seahorse Inn and Plantation Beach Villas. Though the "eco" word is one to be sceptical of because there are no recognised universal standards, Footprints on Tobago can make its eco claims with justification. Importantly, it offers levels of comfort that most eco-resorts do not.

The Owners' Syndicate has joined with the Hermitage on the charming island of Nevis to create a week's rest cure with treatments, including aromatherapy massage and shiatsu.

■ **Caribbean Connection** tel: 01244-555300; **Caribours** 0171-521 5517; **Elegant Resorts** 01244-557998; **Harlequin Worldwide** 01708-260800; **The Owners' Syndicate** 0171-801 9801.

When you consider how important an annual winter visit to the Caribbean is to some people, it comes as a surprise to realise that two centuries ago the West Indies was a hardship posting.

Of course, people did not go to beaches then - they were malarial - and anyway there were no cold drinks and to get there took six weeks in small, rat-infested ships. It gets worse, though. About 100 years before that, in the late 1600s, to "be Barbadosed" was a catch-all term for deportation to the Caribbean islands, where they were crying out for settlers.

It is more by chance than by design that I have ended up in Barbados at the start of the winter season for the past three years, but it is easy to see how it could become an almost constitutional thing. Three centuries on, Barbados is as trustworthy a winter destination as there is in the Caribbean.

Here, there are some of the Caribbean's best-known hotels, and serious restaurants. Visitors often prefer a villa, of which there are magnificent examples, and there are deliciouses to serve them. Implausibly for the Caribbean, you can actually find reliable supplies of *foie gras* and Krug.

"You can feel the change when Christmas is coming," says Patrick O'Hara, owner of the Coral Reef Hotel, which holds pride of place on the west coast, south of Holetown.

It is true. The winter regulars flood back in, chatting about Concorde and first class, wearing their jewellery to the beach. They greet the hotel gardeners and managers as long-lost friends, discussing the latest moves on the restaurant and bar scene and who is giving the big parties of the year.

But winter Barbados is not just a juicy source of gossip for a



Barbados: as trustworthy a winter destination as there is in the Caribbean

## Have you been 'Barbadosed'?

James Henderson is already looking forward to another Caribbean Christmas

tropical bystander. Island gossip can be just as much fun. Barbados is an accessible place and you can plug into that at once (the taxi driver will fill you in on the latest scandals as you drive to your hotel - "nuff rumour, right..."). Also, the Bajans are gracious and more approachable than most West Indians. You can drop into just about any bar and "lime" with the locals.

Beyond the screen of sand and coconut palms, the island is surprisingly good to explore. The old posse of mini-mokes that were once tourists' trusted favourite have really been superseded by Suzuki and Subaru, but a mini-moke was all I could find at short notice in the season. The passen-

ger seat had a haphazard habit of sliding forward and back without warning, threatening to garrote any passengers I took on board.

This time I set off on the trail of Barbados's sugar heritage. This was what settlement was all about two centuries ago. Sugar was in huge demand to feed Europe's sweet tooth. It was the basis of empire in the Caribbean, the reason for all the settlement.

Cane sugar is now a tiny proportion of the world's sugar. A small amount is made in Barbados, but they also produce molasses, which is used in the production of rum, for which there is obviously still a huge demand.

I ended up at the Mount Gay Distillery in the northern parish

of St Lucy. It is the oldest distillery on the island and first bottled rum in 1703. Factories are always fun. The first port of call was in fact the molasses room. An oozy sea of tar-like goo, surprisingly bitter to the taste, sits threateningly in there. It is then diluted with water for fermentation.

A handful of yeast is thrown into the 14,000-gallon vat. In a few hours it is bubbling with scum and boiling like a river in spate; later it throws up slick and wobbly, rainbow-edged bubbles. The process is self-limiting and the increasing levels of alcohol kill off the yeast. Next is distilla-

tion. Through the run of ganglions, the wash is piped into two stills - one for surgical spirit and denatured alcohol and the other for white rum.

After this, the blending takes place in two old copper pot-stills, the liquid eventually dripping down the spirals to cool.

They do not actually bottle there. That takes place in Bridgetown. It is surprisingly easy to get lost between the curtains of sugar cane that line the roads inland. Unfailingly, I do. I suspect that it is at precisely the same spot every year. But so what - it is part of the fun.

Eventually, though, I made it down to the Atlantic coast, to the village of Bathsheba, where the

huge rocks stand poised like Titans, while their foundations are eroded by sea and wind.

It wasn't exactly by chance that I found the Round House again. No doubt if I had wanted to I never would have, but I was happy enough to stop there, high above the coast, and enjoy a pumpkin soup and salt-bread.

As the afternoon drew in I moved on. At dusk I came down to a flat area near the Atlantic coast, lost and stopped to ask the way. I walked into a runshop which called itself the Nigel Benn Auntie Bar. Later, I discovered, it was owned by the aunt of the British boxer, Nigel Benn. With so many British people getting lost at that particular point on

the island, the bar's name was a clever marketing ploy, I suppose. In a back room, there was the slap of dominoes. The three punters looked up and said in chorus: "Good night."

This might sound slightly odd, even apocalyptic (were they expecting me to turn round and leave in a hurry?), but in fact it is the standard West Indian greeting after about six in the evening ("Good evening" lasts from mid-afternoon until dusk). At any rate, rather than leaving, I stopped for a drink and a chat about love, life and everything.

I am not sure if it was the beer, but as I was sitting there, I gradually began to feel geographically out of sorts. The speech sounded like English West Country rather than West Indian English. It is in the quality of the vowels, the *oi*- and *ere*-s. They are buried in the lilt of Bajan English, but they are as distinct as they are unexpected and they bubble up, demanding to be heard.

The roots lie in the first wave of settlement, 300 years ago. At that time Bristol was the main port on the west coast of England. Besides those who were "Barbadosed", many West Country folk emigrated as indentured labourers. Their language has crystallised in the Bajan patois.

By the end I was given a poster of Nigel Benn in combative pose and sent on my way, with explicit instructions to follow the main road. It seemed simple enough. And then I was back on the west coast immersed in the normal life of Barbados.

For all the tropical shirts and white trousers it might have been in Chelsea. But not quite.

■ **James Henderson** travelled to Barbados with *EA Holidays*. Tel: 0870-242 4245. In January, the airline offers a week in a superior suite at the Cobbler's Cove Hotel from £1,709 person including flights and transfers.

### Le Royal Westmoreland, St James, La Barbade Pour conjuguer paradis et perfection

Le Royal Westmoreland, l'ové au cœur d'une somptueuse propriété, est situé à quarante minutes de l'aéroport international de la Barbade. Construit sur l'un des plus beaux golfes des Caraïbes, ce resort offre un environnement d'une grande beauté, un luxe et un confort exceptionnels, ainsi qu'une large gamme d'activités.

#### Un charme à l'anglaise

Les cent villas sont disséminées au cœur d'un magnifique jardin tropical. Leur décoration s'inspire délicieusement de l'élégance et du raffinement britanniques et elles disposent d'une cuisine équipée,

de chambres climatisées, d'un salon avec terrasse et d'une gouvernante attitrée.

Les Club Villas se trouvent à proximité du Clubhouse et de la piscine, avec vue sur l'océan ou le golf. Toutes les chambres s'ouvrent sur un large balcon propice aux baignades de soleil. Certaines disposent d'un cottage dans le jardin avec une chambre pour accueillir les amis.

Les passionnés choisiront les Courtyard Villas qui surplombent le parcours. Ici, un cuisinier attitré vous préparera les spécialités barbadoniennes et vos plats préférés. Luxe suprême, vous serez servis entre deux swings sur la terrasse-solarium de votre piscine...

Les Villas Fairway home sont les plus somptueuses: terrasse en pierre de corail, piscine privée, patio et veranda couverte, salle de bain en marbre... Elles peuvent accueillir jusqu'à huit personnes pour vivre des vacances en famille ou entre amis.

#### L'un des plus beaux golfes des Caraïbes

Robert Trent Jones Jr, l'architecte du golf du Royal Westmoreland, dit lui-même que ce 27 trous de classe internationale est l'un des plus beaux qu'il ait jamais dessinés. Ce superbe parcours de championnat (par 72) couvre une superficie de 47 ha ! Le Clubhouse, maison à l'architecture coloniale, accueille les golfeurs

et leurs invités dans un cadre au luxe discret, avec un service digne d'un 5 étoiles.

Les enfants trouveront aussi leur bonheur au Royal Westmoreland: "The Sanctuary" leur propose de nombreuses activités: natation, cours de tennis et golf, promenades à cheval, excursions à la journée... sans oublier celles qui sont directement disponibles sur les plages de Glitter Bay et Royal Pavilion: jet ski, plongée, voile, etc.

Si votre idéal de vacances conjugue paradis et perfection, n'hésitez pas plus longtemps, partez découvrir le Royal Westmoreland...



ROYAL WESTMORELAND BARBADOS

#### Information et Réservation :

#### ALTERNATIVE TRAVEL

2 rue du Docteur Lombard  
92441 Issy les Moulinaux Cedex  
Tél: 01 55 00 66 88  
Fax: 01 46 45 02 85  
E-Mail: ZENTHNL@MAIL.COM

#### AUSTRAL

122 rue de la Boétie  
75008 Paris  
Tél: 01 45 61 47 25  
Fax: 01 45 61 75 30  
E-Mail: AUSTRAL-PARIS@WANADOO.FR



## TRAVEL

## Skiing

## Denver's winter wonderland

Arnie Wilson struggles to keep up with the night life and upright on the ski slopes

Any ski area in the US would be glad to have a copywriter like George Crammer, a Colorado park chief who once described Winter Park as "the St Moritz of the middle range, surpassing anything ever offered by the once peaceful resort cities of the Bavarian, Italian and Swiss Alps".

"Once peaceful", of course, is the giveaway. Crammer was rhapsodising about Winter Park almost 60 years ago. He continued: "While war-mad Europe is torn with strife, and the US is arming itself for national defence, Denver's department of improvements and parks is making plans for the return of peace."

In his opinion, Winter Park would be "a winter paradise surpassing by far anything ever developed either here or abroad. The sunshine, even in mid-winter, is warmer, the snow less icy and more powdery, and the air is cleaner, drier and healthier than any place in the world. It is suffi-

cient to stagger the imagination." Well, up to a point Mr Crammer. But let us not get completely carried away. Winter Park is a fine resort. But it was my knees that were staggering after my visit rather than my imagination. I blame Mary Jane, about whom more later.

Even when it was known rather unglamorously as West Portal - a reference to the exit of the Moffat tunnel where the resort suddenly materialises as passengers emerge blinking in the snowlight after a spectacular railway journey - Winter Park was always going to be interesting.

West of Denver, it is the first

major ski area you encounter. With recently opened terrain, the resort claims to be Colorado's third-largest.

One of the most enthralling ways to get there is by train. The ski-train special runs at weekends (\$55 return) from Union Station. On weekdays there is an Amtrak (America's version of British Rail) service.

The train snakes its way along the great plains through Arvada, Wheatridge and Rocky Clay before an extraordinary climb, negotiating about 40 tunnels and then disappearing into Moffat Tunnel. Suddenly, there it is: the winter playground of Denver. The city owns the place.

The skiing is in two main areas: Winter Park itself, packed with well-groomed intermediate trails, and Mary Jane, an area named after a prostitute who befriended many of the railway workers building the tunnel.

Today Mary Jane has a different significance: the area has some of Winter Park's steeper terrain and more challenging bumps. But advertising slogans such as "ski Mary Jane's bumps" or "ski Mary Jane's backside" have not gone down well in all Colorado circles.

Mary Jane links with the Patsen Bowl and the Vasquez

Cirque, a 435-acre area being developed as an extreme skiing area where there are "no lifts overhead, no buildings in sight, or even snowcats to interrupt the pristine beauty".

Slopes there range from extreme - above timberline chutes with pitches of up to 60 degrees - to advanced intermediate. Not long ago, the Orlando Sentinel carried a cartoon of a whimsical skier riding up in the chair with a knowing Winter Park local. He is saying: "I brought an apple and a granola bar... I always carry something in my backpack that'll be good for my body." The gung-ho local replies: "Me too. I

packed aspirin and a parachute." The accompanying article tells how an Orlando executive had poached Winter Park, saying: "We're good skiers. We're looking for something a little tougher than Winter Park. Besides, there's no night life."

Fortunately he said this out of earshot of Eric Pietz, a former ski patrolman who is now a senior marketing man at Winter Park. Pietz, said the newspaper, "would have killed him".

Having skied with Pietz in recent winters, I can confirm that Winter Park does indeed have some extremely tough skiing and equally challenging nightlife. Furthermore, as far as I know,

Pietz is the only man in Colorado to have designed a "Nightlife" Trail Map guide to Winter Park's 40 bars and nightspots. Anyone who can keep up with him should be sharpening their edges for the 2002 Winter Olympics.

Another challenging outing now on offer is Winter Park's near neighbour, Berthoud Pass - a small but electrifying high-altitude ski area with some exciting deep-snow tree skiing, which has reopened after being closed for several years. Pietz took me there on the way back to Denver.

The skiing was glorious. But whether it was the early start, the altitude, the steepness of the glades, or the results of my "nightlife tour" with Pietz, the previous night, I was exhausted after half a dozen runs.

Orlando skiers please note. ■ Arnie Wilson's visit to Winter Park was arranged by Thomson Ski and Snowboard, Greater London House, Hampstead Road, London NW1 7SD. Tel: 0990-359329. He stayed at the Vintage Hotel.

## Going back to the future in Poitiers

Alan Harrison and his family get the big picture at a French theme park

Kinemax, Omnimax and Imax. Cinema systems just have to have that max suffix and at Futuroscope, the French theme park, the max factor is applied with gusto.

The European Park of the Moving Image, to give the Poitiers theme park its full name, shows films in these and other systems so you are always sure to get the big picture.

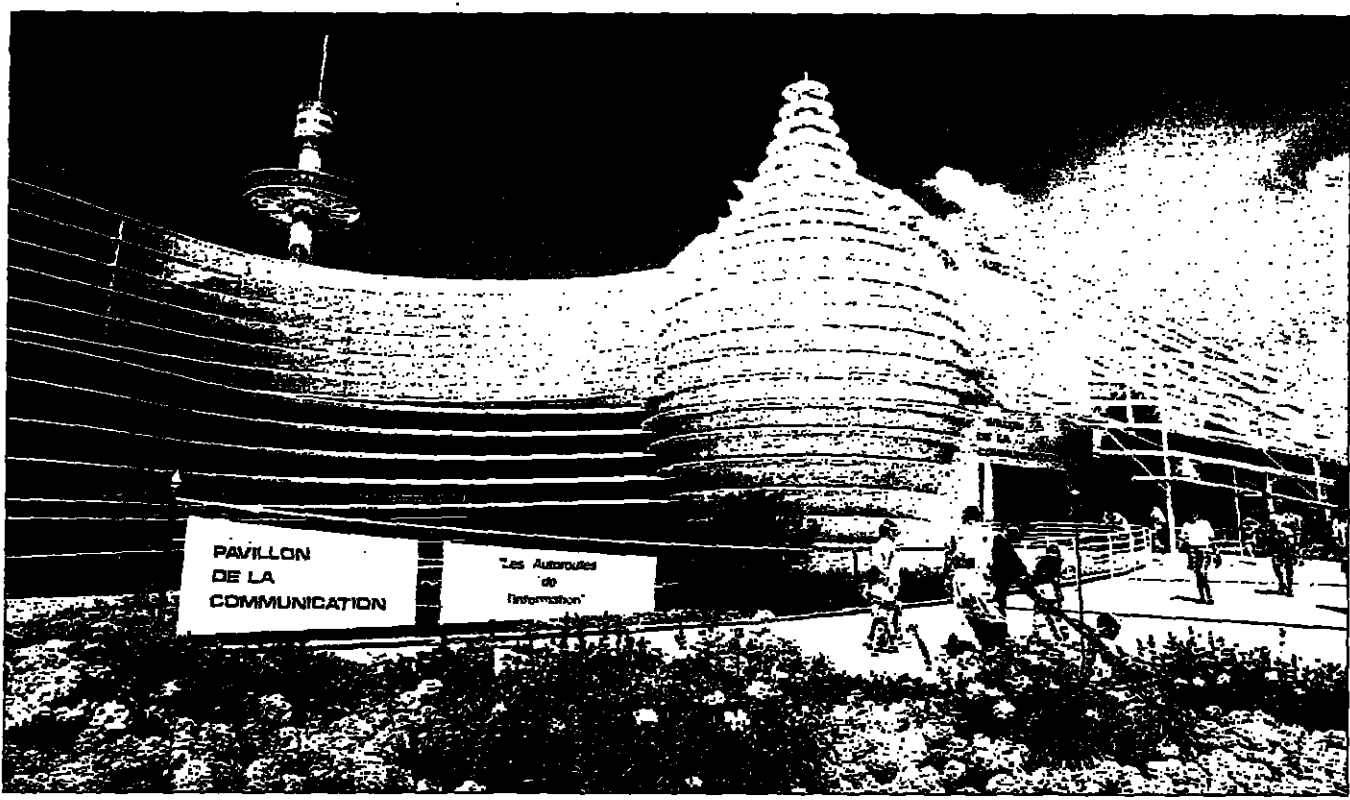
It is a place of superlatives. Some of its claims are: the world's biggest cinema screen, the biggest wall of TV monitors (850 of them) and the world's longest 3-D animated film - the World of Materials, which could also vie for dullness title.

The cinemas are strangely shaped buildings, some looking like huge pipe organs, quartz crystals or giant cubes. I made a watery start, taking a film trip

into the kelp forests off the Californian coast, and was soon caught up in the 3-D effect by trying to brush away seaweed that seemed to be drifting only inches in front of me.

Spectacle is the keyword and even sitting safely in a cinema seat, when you step off the top of a cliff and see the ground dropping thousands of feet away beneath you - an ever-popular effect among 3-D film-makers - your stomach still does a flip. Some of the images were awesome. Try watching an iceberg break away from a glacier on a screen which is the height of a seven-storey building with full surround sound.

As well as the films there are three simulator rides and in the Fun House, a virtual ride around the inside of a pinball machine, cold air blasts your face to heighten the sensation of speed.



Futuroscope: still something of a French secret with only 12 per cent of its visitors from other countries

The park closes each evening with a light show on its lake. The images are projected on a curtain of water which, in the dark, gives the impression of pictures appearing in mid-air. An almost life-size ocean liner appearing on the lake

drew gasps of amazement.

Futuroscope is still something of a French secret, with only 12 per cent of its 3m annual visitors coming from abroad. However, all are made welcome and earphones are available to supply a translation of French dialogue.

After the Futuroscope visit, I spent two days in Poitiers itself, a small university city with its old town high on a hill. With busy roads circling the base, the town reminded me of an old woman standing on a chair gathering her skirts while mice

scurried around the legs.

Futuroscope did not have the monopoly on light shows. Notre Dame la Grande, a church in the pedestrian precinct, also puts on a display at 10.30pm. The north wall of the church, with carvings of the apostles, depicts the story

of the creation and was once brightly painted. The story goes that over the years the colours faded because salt vendors, who set up stalls against the wall, let the salt leach into the stone. The salt-packed stone was then found to be tasty by the local pigeons.

The wall, now protected, is plain white these days. To show what it was like originally, artists nightly project various coloured lights on to the stone to give their impression of its colourful past.

■ Alan Harrison travelled to Futuroscope and Poitiers by Eurostar (0345 300 003) and French Rail (0171-803 3030).

■ He stayed at the Chateau du Clos de la Ribaudière in a quiet, tree-lined part of Chasseneuil, just four minutes from Futuroscope (05 49 52 68 68) and at the Poitiers Centre (05 49 88 30 42). The hire car was supplied by Hertz (0181-679 1777).

■ For further details about Futuroscope and reservations call 0171-899 8049.

■ Futuroscope ticket prices vary depending on the time of year. A one-day adult ticket in the low season costs FF140 (£14.25), rising to FF185 in the high season. Buying a two- or three-day ticket brings the cost down.

■ From November 15 until the end of January, children under 16 can stay free in on-site hotels and get two days' free admission to the park, when sharing their parents' room.

## HOLIDAYS &amp; TRAVEL

## CARIBBEAN



A 14-night cruise to the lands of antiquity aboard the 56 passenger MY MONET visiting the United Arab Emirates, Bahrain, Qatar, Oman and the Sultanate of the Oman

This winter come with us to a corner of the world that has fascinated travellers for centuries. Our unique cruise offers a comprehensive look at an area so richly influenced by its ancient history and its recent wealth. The diverse nature of the people, customs and the landscapes they inhabit make for an enthralling experience as we venture through the mosaic of lands bordered by vast deserts, through green valleys and pass in the shadow of spectacular mountains. The contrast of old and new is staggering from the ancient villages and souls of the old towns to the magnificent cities of glass and steel which include some of the world's most impressive modern buildings.



THE MY MONET

The intimate and private yacht-like MONET with her thirty beautifully appointed outside cabins offers the ideal environment for coastal cruising. Spacious passenger cabins are located over three decks and have outside views. They are furnished with beautiful hardwoods and quality fabrics and offer TV/VCR, multi-channel music, telephone, individual climate control, generous wardrobe space and a private shower and bathroom. Other facilities include: single sitting dining, large comfortable lounge and bar, shop and clinic. On the Sun Deck there is a Jacuzzi and splash tub and spacious areas for relaxing and tanning.

## THE ITINERARY

Day 1 London Heathrow or Manchester to Dubai with Swissair via Zurich. Drive to the impressive Hajj Terminal for an overnight stay.

Day 2 Dubai. Morning free. In the afternoon embark MONET and sail after dinner. Day 3 Bandar-e Abbas, Iran. Be one of the first to set foot in this Southern Iranian port. See the old city, the Hindu temple and the Shiite and Sunni Mosques. Later we will stop at the Main Bazaar and sail by local boat to nearby Hormuz Island.

Day 4 At sea. Day 5 Manama, Bahrain. Here on an archipelago of over 30 islands a morning tour will take us to some of the main attractions of Bahrain including the Al Fakhri Grand Mosque and the National Museum. Afternoon at leisure.

Day 6 Doha, Qatar. We will begin our day with a visit to the excellent National Museum, followed by the Dhow Shipyards and the Weaponry Museum. Later drive to the Equestrian Club to see the beautiful Arabian Horses, stop off at the camel market and the falcon shop.

Day 7 Sir Bani Yas, United Arab Emirates. Once a barren waterless island it has been transformed into a magnificent green landscape.

Day 8 Abu Dhabi. Today we will explore the bustling capital of the U.A.E., Abu Dhabi. We will travel along the corniche viewing the stunning architecture of skyscrapers, villas and palaces.

Day 9 Dubai. Drive out into the desert through the dunes to a Bedouin encampment which has been lavishly laid out with Persian rugs. Here to the accompaniment of some local musicians we will enjoy a barbecue feast.

Day 10 Musandam Peninsula, Oman. In the morning we will drop anchor off the beautiful Musandam Peninsula. This little known and untouched area is a haven for birds and offers some stunning scenery.

Day 11 Muscat, Oman. This morning we explore the colourful Muthiri Harbour with its fishing boats and market. See the Zaynab Mosque with its brilliant 22 carat gold dome, the extraordinary Al Bustan Hotel which in every way is a palace, the National History Museum and the Sultan's Palace.

Day 12 Muscat/Nizwa, Oman. Today's full day trip into the Omani interior will be the highlight for many. We will drive through the dramatic landscape to the ancient town of Nizwa, seeing impressive forts and exploring the soubs and alleys.

Day 13 Fujairah, United Arab Emirates.

After lunch we will go ashore in Fujairah and see the city centre including a visit to the U.A.E.'s newest museum. After seeing a heritage craft village we will drive out to Bithra Oasis in the mountains to view some of the archaeological sites and the 'Friday Market'.

Day 14 Ras Al Khaimah, United Arab Emirates. Explore the city individually or join a 'Wadi Bashing' two hour trip in a four-wheel drive vehicle. Not for the faint-hearted it is a marvellous experience of off-roading in professionally driven Range Rovers.

Day 15 Sharjah/Hatta, United Arab Emirates. After exploring Sharjah we will drive through the mountains to the village of Hatta in the agricultural heartland. Disembark after dinner and transfer to the airport for the Swissair flight to London via Zurich.

Day 16 London Heathrow or Manchester. Arrive in the morning.

## 1998/1999 DEPARTURE DATES AND PRICES PER PERSON

sharing a twin bedded cabin/room

27 Nov	8,220	Jan
11 Dec	5,190	Feb
	5,190	Mar
	5,190	Apr
Car C Twin/Double	£3395	£3595
Car B Twin/Double	£3395	£3795
Car A Twin/Double	£3795	£3995
Car S Single	£3995	£4195

Price includes: Economy class air travel, 1 night hotel accommodation in Dubai on bed and breakfast basis, 14 days aboard the MONET on full board, shore excursions, entrance fees, port taxes, transfers, services of cruise director and local guides, airport taxes, UK departure tax. Not included: Travel insurance, visa charges, gratuities.

## FOR FURTHER DETAILS

Telephone 0171-409 0376

(Tel. 0171-409 0376/255 1424 Fax: 0171-409 0834)

Brochureline 0171-355 1424 (24 hours)

## NOBLE CALEDONIA LIMITED

11 CHARLES STREET, MAYFAIR, LONDON W1X 8LE Tel: 0171-409 0376/255 1424 Fax: 0171-409 0834

ALICE E-MAIL: info@noble-caledonia.co.uk WEB: www.noble-caledonia.co.uk

3108 WEBSITE: www.noble-caledonia.co.uk



QE2's Caribbean Christmas with all the trimmings.

With up to 35%\* trimmed off the price. Escape from the grey to blue Caribbean seas on QE2's magnificent Christmas cruise. Let the world's most famous ship carry you to sunshine islands including St. Lucia, Barbados, Grenada, Dominica and more. Superb food, fabulous entertainment, unrivalled facilities, all from just £2,335\* including return flights - it really must be Christmas 18 nights, departs 19th Dec. See your travel agent or call Cunard.

For reservations: 01703 634166 or for a brochure: 0800 000 500 quoting FT/049

QUEEN ELIZABETH 2

Christmas availability for VILLAS & COTTAGES in BARBADOS, Antigua, Tobago and Anguilla

Elegant Resorts

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444

01244 897 444 01244 897 444



Elegant Resorts FREE CONCORDE UPGRADES at Royal WESTMORELAND BARBADOS

Stay 14 nights at this superb Golf Villa resort and return on CONCORDE with our compliments! Fly from Heathrow on 5 or 6 December on a British Airways World Traveller flight, stay in a Club Villa with hotel service, and return by CONCORDE. With prices from £2,815 per person - and a saving of over £1,000 - this is an exclusive, unmissable and very special offer!

Call now for full details and for other Concorde savings at Royal Westmoreland and this winter.

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111

01244 897 111 01244 897 111



## SPORT

## Sporting Profile

# Loner's dazzling run puts Tiger in the shade

Derek Lawrenson on David Duval, who came from nowhere to upset the top contenders vying for the title of greatest golfer in the world

**T**o the sports fan with only a passing interest in golf it will come as no surprise to learn that a young American dominated his peers this year on the United States Tour.

He won the order of merit by the length of one of his mammoth drives and added four more titles to the three he won towards the end of 1997 to make it seven in a 12-month period, the finest winning sequence the tour has witnessed for almost 20 years. What may startle, however, is that the golfer in question is not Tiger Woods.

David Duval has none of Woods' charisma and keeps his personality firmly hidden behind his trademark wraparound sunglasses. But judged purely on events since the Ryder Cup at Valderrama 14 months ago, there is no question who has been the more successful golfer.

It has been a season that has countered completely the widely held belief that the future of the game would come down to a straight contest between Woods and Ernie Els. For starters, 11-year-old Mark O'Meara came up with his annus mirabilis in the nick of time and stole away with two major championships; in Europe Lee Westwood did more than enough to suggest he will not be happy taking a back seat.

Most of all there have been the performances of the 27-year-old Duval, who managed to play in 88 US Tour events without winning but then concluded 1997 with an astonishing sequence of three victories in a row. Any doubts that he would struggle to come up with an encore have been lost in the welter of applause. Not since Tom Watson won eight tournaments in 1979 has any player proved so prolific on the tour, and Duval has achieved it at a time when the standard of competition is universally accepted to be at an all-time high.

The sunglasses give many golfing traditionalists the wrong idea. Duval maintains he wears them to protect his sensitive blue eyes but whether it is for

image or health, there is no doubt here is a young man steeped in the game. His grandfather was a teaching professional and his father, Bob, has plied his trade very successfully on the Senior Tour this year, winning more than \$850,000 (£385,000).

The Duvals have seen their fair share of tragedy, however. David was just nine when his 13-year-old brother, Brent, was diagnosed with a rare blood disorder. Bone marrow was extracted from Duval's hips in an unsuccessful attempt to save his brother's life.

"David had a lot of problems after that," Bob Duval recalls. "He was just a kid, he loved his brother, and for a while he believed it was his fault that it did not work. He became more of a loner, he would never let people see his emotions."

Both inside and outside the ropes Duval remains very much the loner in control of his feelings. A missed putt will not lead to an angry toss of the offending implement towards his caddie, as is invariably the case with Woods. Birdies will often be accumulated without so much as the hint of a smile.

Off the course, reporters' questions will frequently bring ambiguous answers. Asked last year by one journalist why he had suddenly acquired the winning habit, Duval told him he had absolutely no idea. As for personal questions, they rarely get beyond first base.

Duval is aware of his reputation but not troubled by it. "It is like there should be this asterisk by my name," he told Sports Illustrated. "Down at the bottom of the page it would say: 'Difficult to get to know. Easy to misunderstand.'"

"The game lends itself to loners, let's face it," says Bob Duval.

If the devastating loss of his brother unwittingly accelerated the development of the inner golfer, the making of Duval on the course undoubtedly came at the 1996 President's Cup.

"This is a team contest, on Ryder Cup lines, that is held in non-Ryder Cup years and

features the US against the Rest of the World. Hard as it is to believe now, Duval had a reputation at the time as a choker, which made him not just a surprising captain's pick but a controversial one.

Duval showed a new maturity under pressure, however, winning four matches out of four. He demonstrated to himself that he could remain calm and relaxed over the closing holes, and the confidence engendered led to him doing something about his physique.

At the time, the six-footer was a stocky 220 pounds, but after

**A missed putt will not lead to an angry toss of the offending implement towards his caddie**

talking to other players about their exercise programmes, he embarked on one of his own that became more intense as the weight fell off. Now weighing an ideal 180, Duval says: "I found out that I like the feeling of really pushing myself. You have to conquer obstacles in life, and working on your body is something where you can see results. It makes me feel better, perhaps because it is a better, more controlled."

Bob Duval turned 50 in 1997 and it was David Duval who persuaded him to try his luck on the Senior Tour. At the time he was a reasonably successful club pro but the gamble has worked spectacularly, and he is quick to pay tribute to the role his son played in giving him the confidence to make the move.

Now they have become the most proficient father and son act since Percy and Peter Alliss. But while Bob Duval makes a wonderful living, David Duval has it within him to become a

name for all time.

The statistics are simply dazzling. Duval is first by a country mile in the par-breakers category, the percentage of holes that a player has birdied or eagled; he is also first in putting, first in total driving (length as well as accuracy) and tied fourth in hitting greens in regulation.

This year his victories have come in three different time zones and been spread equally across four seasons. He can win on a traditional course such as Firestone as well as a target golf venue such as the Woodlands. While Woods will always be favoured to win the Masters and the Open but less so the US Open and the USPGA, Duval has a more consistent, less spectacular, game that suits any course.

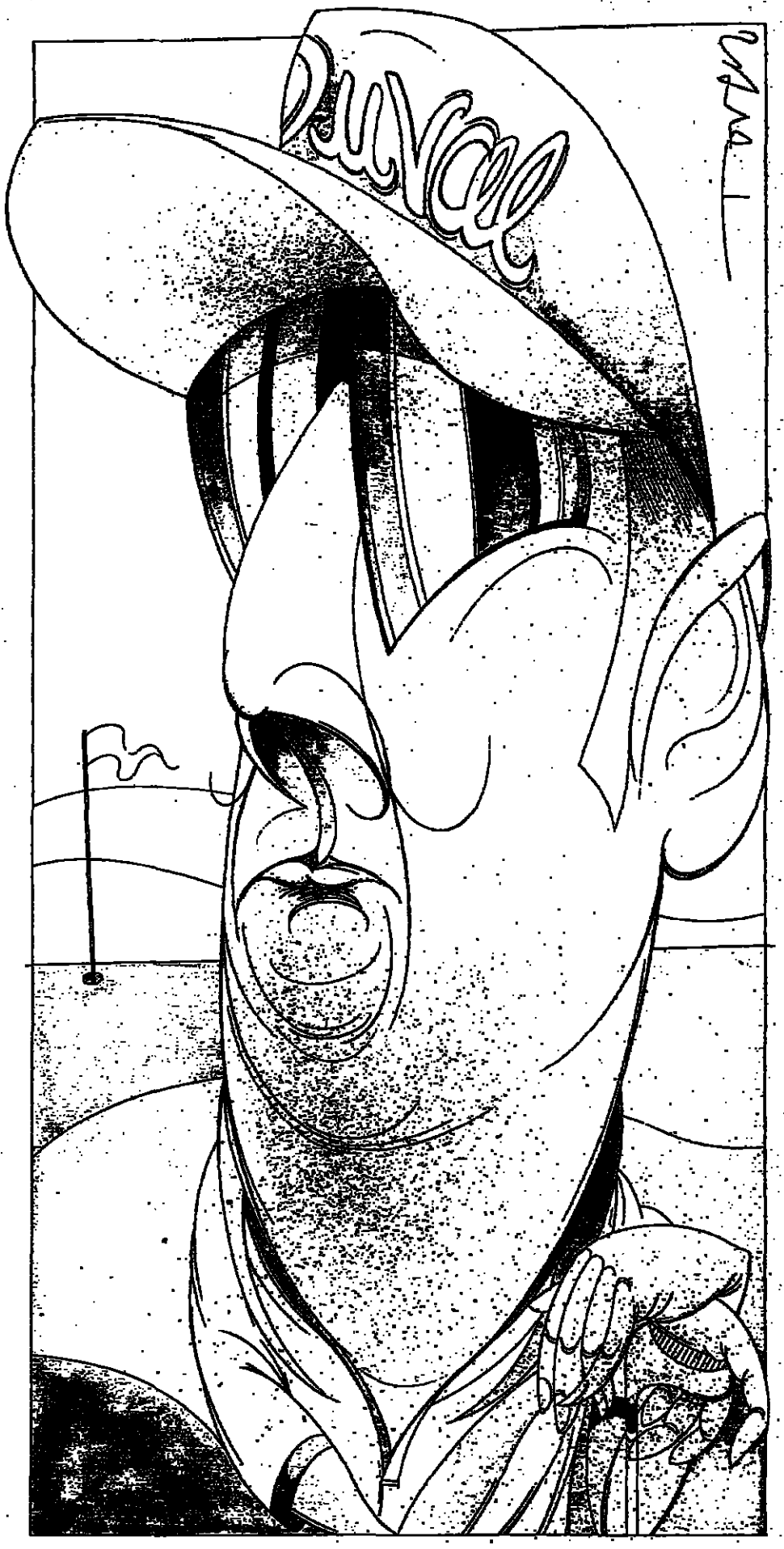
"If I was offered Woods' game from the tee or Duval's I would choose David's every time," says Mark Calcavecchia. "He may not be quite as long but he is more accurate. From where he hits his second shots, every golf course is easy, and his short game is as good as his long game."

The difference is that Woods, with his uncanny ability to make things happen, already has one major championship to his name at the age of 22 while Duval has none at 27. There again, while Woods was being prepared for greatness by his father before his teenage years, Duval was trying to cope with the devastating loss of a sibling.

It is not surprising, therefore, that in Woodsian terms he is a late developer. But Duval has now reached the same stage as his younger rival, where only victories in the four majors will determine his ranking in the all-time list.

He has time on his side to make an indelible impression, and at Augusta last April he was in contention for the first time, only losing to O'Meara's sumptuous finish of two birdies on the final two holes.

If Duval's life story reveals anything, it is that he learns from such episodes. Behind the sunglasses a bright mind works constantly, determined to push on and overcome.



Michael Thompson-Noel

## The fastest man on two crutches

**C**anada's Donovan Bailey, the world's fastest man, was in a rueful mood this week when discussing the run of injuries he has suffered this year, including the potentially career-ending ruptured Achilles tendon he sustained in September.

Since last December, Bailey has been in a car accident, suffered back and shoulder injuries, torn a quadriceps muscle, and bruised a heel, in addition to the Achilles injury. All of which has fuelled speculation that, at 30, his career may be over. As recently as August, though, Bailey ran the 100 metres in the Canadian championships in a respectable 9.93 seconds, against his world record of 9.84 secs, established at the 1996 Atlanta Olympics.

"I'd like to see what I can do one day healthy," said Bailey. However, he also pointed out that this year he had beaten all his main rivals. He was particularly contemptuous of Trinidad's world 200 metres champion, Ato Boldon, who won the Commonwealth Games 100 title last month and has been edging closer to Bailey's world record.

"He cracks at every 100 metres championship," scoffed Bailey, adding that life as a champion was "about stepping up and running when it matters". He claims there is no threat to his status as the world's fastest man, though he admits the hyperbolic trash-talking of track and field slightly upset his focus this year, and confesses, winningly, that he got "caught up in the things being said by the other - less intelligent - competitors".

Someone Bailey has no time for is fellow Canadian sprinter Ben Johnson, who was stripped of his Olympic gold medal in Seoul in 1988

for taking steroids, and is banned for life. Recently, Johnson ran a charity race against a horse and a car. "He's making track and field, track and field athletes, look like the three-ring circus," said Bailey grimly.

At present, Bailey is hobbling on crutches because of his Achilles injury, though he spends hours in the swimming pool each day, and on special machines, hoping to be able to stage a comeback. If he cannot race again, he says, he will quit with no regrets. Yet he feels it is his right "to finish the way I want to finish" - on the track, in a buzzing fast race, squashing the trash-talkers underfoot.

Can the world's forests survive the assaults of publishers eagerly cranking out more and more soccer books? Soon, the planet will be denuded. All we will have to show for it will be mile-high piles of soccer books.

Yet some have their moments. Harry Redknapp's frank and funny autobiography, for example, published this week (Collins/Willow, £16.99), deals excellently with many topics, not least the army of "foreign mercenaries" - Redknapp's phrase - he has signed in recent years: players lusting for the mega-earnings on offer in the English Premiership but who had no loyalty towards West Ham Football Club.

Some of the foreigners were big hits, claims Redknapp, others embarrassing failures, but what fans must remember, he says, was that he was operating on a shoestring budget. He says most of his foreign players were bargain-basement buys, such as Florin Raducioiu, the Romanian international Red-

knapp bought from Spanish club Espanol for £1.5m in August 1996.

Raducioiu had been a superstar for Romania in the 1990 and 1994 World Cups, but he certainly wasn't a superstar for West Ham. The Romanian was a quality finisher and exceedingly fast, but the moment things turned physical he just didn't want to know, says his former manager.

"Don't ask me to explain how a former world-class

rest of the dressing room had seen through him. They knew what he was like."

Eventually, Espanol agreed to take Raducioiu back, for £1m, because they'd just appointed a Romanian coach, though it "didn't take long for Espanol to bomb him out, and now he's no longer a member of the Romanian side. A career in terminal decline."

When not dipping into the Redknapp book, I spent time this week flipping through the annual report and accounts of another London-based English Premiership club, Tottenham Hotspur, and, more interestingly, through Spurs' 36-page "official" merchandise catalogue (can there possibly be an unofficial one?) for the current season.

Presumably, all self-respecting Spurs fans have a copy of the catalogue. I am not a fan, merely a hard-hearted and opportunistic shareholder, though even a tough cookie such as me has to confess to being touched, almost to tears, by the titanic amount of truly weird junk Spurs fans can buy.

The posters of the main Spurs player-bunks - Ginola, Campbell, Ferdinand, Tramezani - are good value at £2.50 each, and I shall buy quite a few. But posters are only the start. The strongest merchandise crops up in the catalogue's "Spurs Tiny Terrors" section, offering all sorts of stuff, some of it in club colours, for the post-modern Spurs baby: baby snow suits, sleepsuits, romper suits, T-shirts, pop-on-bibs, booties, socks, hats and caps. I know Spurs fans are weird. What I didn't know was that outstanding weirdness is encouraged among Spurs infants.



Donovan Bailey wins the 100 metres at Nurnberg in July 98

## Cruel Britannia

**O**ver 40,000 children run away from home or care each year.

Most are fleeing abuse, violence or bullying. On the streets they are in danger of getting caught up with drugs, crime or even prostitution.

They are just part of an alarming statistic which shows that we have the worst record in Western Europe for caring for our children. Our future young runaways miss out on education, lack qualifications and can all too easily end up on a downward spiral to a life with no future.

**40,000** believed me??

Over 100,000 need to commit suicide, full stop.

From the age of 10, Josie was repeatedly sexually assaulted by her stepfather. She overheard and when the hospital found love-bites on her chest, they called in Social Services who believed the parent's story not Josie's. She was sent back home and the abuse continued. She ran away.

**44 Children aren't born bad??**

Lin Sparrow, Chief Executive, The Children's Society

The Children's Society believe that it's the circumstances in which they find themselves and our inability to deal with these, that are bad.

We're an independent charity who are already tackling the root causes of the problems which can cause this downward spiral.



If you believe every child deserves a decent chance in life, you believe everything we stand for.

While our resources are modest, the impact we make on children's lives is not. As a voluntary society of the Church of England and the Church in Wales, we reach out unconditionally to children when they are at their most vulnerable.

**44 Something can be done??**

We opened the first safe refuge for young runaways like Josie. For children like her, we are someone to turn to, talk to and trust. Our work enables us to understand the causes of the problems children face, so we can develop radical new approaches and influence better solutions, for all children, not just the 40,000 we work with directly every year.

They are just the tip of the iceberg. The reality for many young people in Britain today is that they are living in Cruel Britannia.

Until we, as a nation recognise this, we will never deal with it. The problem isn't someone else's, or the government's, but ours, all of us, and The Children's Society needs your help.

If you would like to know more or make a donation, call our 24 hour donation/information line:

**0345 32 10 28**

www.the-childrens-society.org.uk

**The Children's Society**

A Voluntary Society of the Church of England and the Church in Wales

Charity registered in England 217115

265/3/73

السنة الأولى من الأجل



## INTERNATIONAL ARTS GUIDE

What's on  
around the  
world

## ■ ABERDEEN

## OPERA

His Majesty's Theatre  
Tel: 44-1224-841 122  
● The Magic Flute: by Mozart.  
Scottish Opera production by Martin  
Duncan, conducted by Richard Farnes;  
Nov 13

## ■ AMSTERDAM

## EXHIBITIONS

Rijksmuseum  
Tel: 31-20-673 2121  
● Japanese Scrolls: 40 works from  
the collection of the Kumamoto  
Prefectural Museum of Art in Japan.  
These include depictions of  
courtesans, daily life and poetic  
illustrations of nature; to Jan 17  
● The Festival of Lithography:  
celebration of the 200th anniversary of  
the discovery of lithography. Based on  
the mutual repulsion of water and fat,  
this new printing technique represented  
a major advance, and meant that for  
the first time it was unnecessary to  
scratch and cut into a plate. The  
exhibition consists of works from the  
collection, including lithographs by  
Toulouse-Lautrec, works by Cézanne,  
Manet, and Dutch artists including Van  
Gogh; to Jan 10  
● Van Gogh in the Rijksmuseum:  
during the period of the Van Gogh  
Museum's closure for renovation and  
building work, a selection of its finest  
holdings will be exhibited in the  
Rijksmuseum's South Wing; to Mar 7  
Stedelijk Museum  
Tel: 31-20-5732911  
www.stedelijk.nl

● Bill Viola, 25 Year Survey - A Video  
Journey: major survey of work by the  
American video artist. Includes more  
than 15 installations and 20 video  
tapes, as well as sketches and notes;  
to Nov 29

## OPERA

## Netherlands Opera, Het

Musiektheater  
Tel: 31-20-551 8911  
● The Rake's Progress: by Stravinsky.  
Conducted by Reinbert de Leeuw in a  
staging by Peter Sellars. Cast includes  
Donald McIntyre, Thomas Randle and  
Willard White; Nov 7, 10, 12

## ■ BIRMINGHAM

## EXHIBITIONS

Birmingham Museums and Art  
Gallery  
Tel: 44-121-235 2834  
● Sir Edward Burne-Jones:  
comprising more than 200 works,  
including tapestries and jewellery as  
well as paintings. A second generation  
re-Raphaelite, Burne-Jones also had  
a lifelong working relationship with  
William Morris, for whose firm he  
worked as a principal designer. The  
exhibition will travel to Paris next year;  
to Jan 17

## ■ BOSTON

## EXHIBITIONS

Museum of Fine Arts, Boston  
Tel: 1-617-267 9300  
● Monet in the 20th Century: more  
than 80 works painted by the artist in  
the last decades of his life. Beginning  
with paintings of the garden at Giverny,  
the show concludes with five of the  
monumental waterlily paintings that  
Monet called Grandes Décorations; to  
Dec 27

## ■ CHICAGO

## EXHIBITIONS

Art Institute of Chicago  
Tel: 1-312-443 3600  
www.artic.edu  
● Art and Archaeology of Ancient  
West Mexico: more than 200 works,  
including terracotta figures found in  
tombs, and findings of recent  
excavations. Many of these objects  
have never before been publicly  
exhibited; to Dec 6  
● Japan 2000: Kisho Kurokawa. This  
finale of a trio of exhibitions is a  
celebration of the work of one of  
Japan's most distinguished architects.  
The exhibition will travel to... Kisho  
Kurokawa Gallery; to Jan 3  
● Julia Margaret Cameron's Women:  
60 vintage prints of Victorian subjects  
such as Julia Jackson, mother of  
Virginia Woolf, and Alice Liddell.  
Cameron's portraits of Browning,  
Darwin and Tennyson are well known.  
Her dramatic, psychological pictures of  
women are less familiar. The exhibition  
will travel to San Francisco; to Jan 3  
● Mary Cassatt: Modern Woman. 125  
paintings, drawings and prints by the  
only American invited to exhibit in the  
Impressionist exhibitions in Paris.  
Closely associated with Degas, Monet  
and Pissarro, in later life she became a  
celebrated collector and patron. The  
show will travel to Boston and  
Washington in 1999; to Jan 10

## OPERA

Lyric Opera of Chicago  
Tel: 1-312-332 2244  
www.lyricopera.org  
● Ariadne auf Naxos: by R. Strauss.  
New production by John Cox,  
conducted by Robert Spano. Cast  
includes Deborah Voigt and Susan  
Graham; Nov 12  
● Mourning Becomes Electra: by  
Martin David Levy. New production by  
Liviu Ciulei, conducted by Richard  
Buckley; Nov 7

## ■ COPENHAGEN

## EXHIBITIONS

Louise Museum of Modern Art,  
Humlebaek  
Tel: 45-4919 0719  
www.louise.dk  
● Joan Miró: major retrospective  
comprising 140 paintings, drawings  
and sculptures, including works  
borrowed from the artist's family since  
the exhibition was shown in Stockholm



'Guardians of the Secret' 1943 by Jackson Pollock, in a major exhibition at the Museum of Modern Art in New York until February

over the summer; to Jan 10

## ■ EDINBURGH

## EXHIBITIONS

Royal Museum  
Tel: 44-131-225 7534  
www.rms.ac.uk  
● Chinese Lacquer: 48 objects  
selected from the museum's  
lacquerware collection, the oldest of  
which is more than 2,000 years old.  
Highlights include an eared cup from  
the Han dynasty and two 18th century  
Qing thrones; to Mar 28  
Scottish National Portrait Gallery  
Tel: 44-131-624 6200  
● Robin Gillanders: Little Sparta.  
Photographs of the painter Ian  
Hamilton Findlay's garden at Dunsyre  
in the Pentland Hills. Gillanders has  
been working there since 1993, and  
the display includes a range of  
collaborative works - posters, prints  
and postcards; to Nov 29

## ■ FRANKFURT

## EXHIBITIONS

Schirn Kunsthalle  
Tel: 49-69-299 8820  
● Alberto Giacometti: retrospective of  
work by the Swiss sculptor and  
painter. Also featuring prints and  
drawings, the exhibition charts  
Giacometti's artistic output from his  
early years in 1920s Paris to his death  
in 1966; to Jan 3

## ■ GLASGOW

## OPERA

Theatre Royal  
Tel: 44-141-332 9000  
● Scottish Opera: Tristan und Isolde,  
by Wagner, in a production by Yannis  
Kokkos, directed here by Peter Watson  
and conducted by Richard Armstrong.  
Cast includes Jeffrey Lawton and  
Eva-Maria Bundschuh; Nov 7

## ■ HELSINKI

## DANCE

Finnish National Ballet  
Tel: 358-9-403 021  
● Giselle: staging by Sylvie Guillem,  
who herself dances the title role on Oct  
16 and 20. With sets and costumes by  
Ramón B Ivars. Conducted by David  
Garoth; Nov 7, 12

## EXHIBITIONS

Museum of Contemporary Art  
Tel: 358-0-173 361  
● Bruce Nauman: spanning the career  
of the American artist, b.1941, this  
exhibition focuses on his relationship  
with language, and includes sound and  
video installations as well as neon  
pieces like One hundred live and die  
(1984); to Jan 24

## ■ HOUSTON

## EXHIBITIONS

Museum of Fine Arts, Houston  
Tel: 1-713-639 7750  
www.mfah.org  
● A Grand Design: The Art of the  
Victorian and Albert Museum. North  
American tour of selected objects from  
the V&A's collection. Consists of 250  
works of art ranging from Leonardo da  
Vinci's notebooks to shoes by Vivienne  
Westwood, presented in sections  
which address changes in the  
institution's collecting policy. The  
exhibition will travel to San Francisco  
next year, before returning to London  
where it will be displayed in the V&A  
itself; to Jan 10

## ■ LONDON

## CONCERTS

Barbican Hall  
Tel: 44-171-638 8891  
● London Symphony Orchestra:  
Michael Tilson Thomas conducts a  
series of works by Stravinsky;  
Nov 8

## DANCE

Sadler's Wells  
Tel: 44-171-863 8000  
● Rambert Dance Company: Cruel  
Garden, by Lindsay Kemp and  
Christopher Bruce. Evocation of the life  
and work of Federico García Lorca, set  
to music by Carlos Miranda,  
performed by London Music; Nov 10,  
11, 12, 13

## EXHIBITIONS

## Barbican Centre

Tel: 44-171-638 8891  
www.barbican.org.uk

● Cindy Sherman: retrospective  
tracing the New York-based artist's  
development from the 1970s to the  
present. Consisting of 156 works, this  
show presents selections from each of  
her major series, including Untitled Film  
Stills (1977-80), Centrefolds (1981) and  
Fairy Tales (1985). The exhibition will  
travel to Bordeaux, Sydney and  
Toronto; to Dec 13

National Gallery  
Tel: 44-171-638 3321  
● Mirror Image: Jonathan Miller on  
Reflection. Show exploring the  
representation of mirrors in art, curated  
by Miller and featuring loans from  
public and private collections. Includes  
Van Eyck's famous Arnolfini Portrait,  
and works by Freud, Callot and  
George Romney; to Dec 13

Royal Academy of Arts  
Tel: 44-171-300 8000  
● Charlotte Salomon: born in Berlin in  
1917, Charlotte Salomon died in  
Auschwitz in 1943, after living in hiding  
in the south of France for three years,  
during which time she produced a  
series of 789 gouaches called Life? Or  
Theater?, exhibited here, which has  
been interpreted as a form of  
self-protection against the violence of  
the Nazi era; to Jan 17

● Picasso: Sculptor and Painter in  
Clay. This first major exhibition of  
Picasso's ceramics will include around  
100 pieces, many of which have never  
before been exhibited. They will be  
shown with some paintings and  
sculptures, demonstrating how Picasso  
developed his ideas across different  
media; to Jan 1

Tate Gallery  
Tel: 44-171-887 8000  
● John Singer Sargent: large-scale  
retrospective containing 160 paintings,  
including major public and private  
loans. Includes late landscapes and  
American and British society portraits  
from the 1880s to the early 1900s; to  
Jan 17

Victoria and Albert Museum  
Tel: 44-171-938 8500  
● Aubrey Beardsley: more than 200  
drawings, prints, posters and books  
created during the brief period of the  
artist's fame. A member of the  
fin-de-siècle avant-garde, Beardsley  
left England for Disappearing following  
Wilde's disastrous libel action and  
subsequent imprisonment in 1895. The  
exhibition, which arrives in London  
after touring in Japan, marks the  
centenary of Beardsley's  
tragically early death, aged 25;  
to Jan 10

● Grilling Gibbons and the Art of  
Carving: drawings, carvings and  
religious reliefs are displayed alongside  
the Cosimo panel, commissioned by  
Charles II and the woodcarver's  
masterpiece. The exhibition also aims  
to present some historical context; to  
Jan 31

## OPERA

English National Opera, London  
Coliseum  
Tel: 44-171-632 8300  
● Boris Godunov: by Mussorgsky.  
Conducted by Paul Daniel (Noel Davies  
from Dec 2) in a new staging by  
Francesca Zambello, with sets by  
Hildegard Bechtler. John Tomlinson  
(Gidon Saks from Dec 2) sings the title  
role; Nov 11  
● Mary Stuart: by Donizetti.  
Conducted by Jean-Yves Ossonce  
(Noel Davies from Nov 7) in a new  
staging by Gale Edwards, with  
costumes by Jasper Corran. Ann  
Murray sings the title role, with Susan  
Perry as Elizabeth; Nov 7, 10

## ■ MILAN

## OPERA

Teatro alla Scala  
Tel: 39-02-88791  
www.lascala.milano.it  
● L'Elisir d'Amore: by Donizetti.  
Massimo Zanetti conducts a staging by  
Ugo Chiti, with designs by Tullio  
Pericoli. Mariella Davis sings the role of  
Adina; Nov 8

## ■ MUNICH

## EXHIBITIONS

Haus der Kunst  
Tel: 49-89-211270  
● Lyonel Feininger (1871-1956): From  
German-American painter, who was

forced to leave Germany during the  
1930s and subsequently worked in  
New York. The 120 works on display  
include important public and private  
loans, and paintings by some of  
Feininger's contemporaries; to  
Jan 24

● The Night: exploring the  
development of the nocturne, or night  
time scene, in western art from the  
15th to the 20th century. Includes early  
examples by artists including Cranach,  
baroque works by Caravaggio and his  
followers, and works by the German  
romantics. Other artists represented  
include Goya, Munch, Max Ernst and  
Magritte; to Feb 7

## OPERA

## Bayerische Staatsoper

Tel: 49-89-2185 1920  
www.staatstheater.bayern.de  
● Der Freischütz: by Weber.  
Conducted by Zubin Mehta in a new  
production by Thomas Langhoff, with  
designs by Jürgen Rose. Cast includes  
Petra-Maria Schritzer and Peter  
Seifritz; Nov 7, 12

## ■ NEW YORK

## EXHIBITIONS

Guggenheim Museum  
Tel: 1-212-423 3500  
www.guggenheim.org  
● 1999, Rendezvous: in their holdings  
of artworks from 1900 to 1945, the  
Guggenheim and the Centre Georges  
Pompidou are remarkably similar, with  
one often owning a preliminary study  
for a painting in the collection of the  
other. The closure of the Musée  
national d'art moderne for renovation  
has created the unique opportunity for  
this exhibition, which brings together  
related works by the same artist, or  
works by different artists on the same  
theme. The display, which seeks to  
highlight differences as well as  
similarities between the collections,  
includes works by Picasso, Matisse,  
Kandinsky and Chagall; to Jan 24

Guggenheim Museum SoHo  
Tel: 1-212-423 3500  
www.guggenheim.org  
● Premises: Invested Spaces in Visual  
Arts, Architecture & Design from  
France, 1956-1988. Exploration of the  
different ways in which artists have  
engaged with space. Display ranges  
across installation, film, video,  
photography and architecture. Includes  
works by Yves Klein, Le Corbusier,  
Louise Bourgeois and Sophie Calle; to  
Jan 10

Metropolitan Museum of Art  
Tel: 1-212-879 5500  
www.metmuseum.org  
● Degas Photographs: bringing  
together 35-40 photographs, most of  
which were made in the 1890s. Mainly  
they are figure studies, self-portraits  
and portraits of the artist's circle; to  
Jan 3

● From Van Eyck to Bruegel: Early  
Netherlandish Paintings. Almost 100  
paintings from the collection, exhibited  
together for the first time; to Jan 3  
● Heroic Armour of the Italian  
Renaissance: Filippo Negroli and His  
Contemporaries. Comprehensive  
survey of the classically inspired  
armour made by the most celebrated  
Italian armourer of the 16th century.  
Includes more than 60 richly decorated  
suits of armour, worn by Renaissance  
kings and captains. Includes public  
and private loans from Europe and  
North America; to Jan 17

● Letters in Gold: Ottoman  
Calligraphy from the Sakip Sabanci  
Collection, Istanbul. 70 objects ranging  
from the 15th to the 20th century.  
Includes manuscripts, panels and  
scrolls; to Dec 13

● Louis Comfort Tiffany: celebrating  
the 150th anniversary of the artist's  
birth, this exhibition, drawn from the  
museum's collection, includes  
lead-glass windows and lamps,  
vases, furniture, enamels and jewellery.  
A selection of drawings will also be on  
display; to Jan 1

● The Nature of Islamic Ornament,  
Part II: Vegetal Patterns. Second in a  
four-part series on Islamic ornament  
from the 9th to the 18th century.  
Includes rare brocades and carpets; to  
Jan 10

Museum of Modern Art  
Tel: 1-212-708 9480  
www.moma.org  
● Jackson Pollock: first US  
retrospective of the Abstract  
Expressionist since that held at MOMA  
in 1967. Including more than 100

paintings and 50 works on paper, the  
show promises to be a highlight of the  
New York art calendar - then  
transferring to London; to Feb 2  
Pierpont Morgan Library  
Tel: 1-212-685 0008

● Master Drawings from The State  
Hermitage Museum, St. Petersburg,  
and The Pushkin State Museum of Fine  
Arts, Moscow. 120 European drawings  
dating from the 15th to the 20th  
centuries, some of which have never  
before been exhibited outside Russia.  
Includes works by Rembrandt and  
Dürer, with emphasis on the  
modernists Matisse and Picasso; to  
Jan 6

Whitney Museum of American Art  
Tel: 1-212-3272801  
● Mark Rothko: major retrospective of  
the American abstract artist, including  
loans from Europe and Japan. The 100  
works on display encompass all  
phases of Rothko's career, from the  
late 1920s to 1970, with an emphasis  
placed on the so-called surrealist and  
classic periods. The show arrives from  
Washington and will be in Paris, at the  
Musée d'Art Moderne de la Ville,  
through the winter (dates to be  
announced); to Nov 29

OPERA  
Metropolitan Opera, Lincoln Center  
Tel: 1-212-362 6000  
www.metopera.org  
● La Nozze di Figaro: by Mozart. New  
staging by Jonathan Miller, with  
designs by Peter Davison. The cast is  
headed by Renée Fleming, Cecilia  
Bartoli and Bryn Terfel, and the  
conductor is James Levine; Nov 7, 11

## OPERA

Metropolitan Opera, Lincoln Center  
Tel: 1-212-362 6000  
www.metopera.org  
● Le Nozze di Figaro: by Mozart. New  
staging by Jonathan Miller, with  
designs by Peter Davison. The cast is  
headed by Renée Fleming, Cecilia  
Bartoli and Bryn Terfel, and the  
conductor is James Levine; Nov 7, 11

## ■ PARIS

## EXHIBITIONS

Couvent des Cordeliers  
Tel: 33-1-4046 0547  
● S'asseoir au XXe siècle: display  
devoted to the evolution of the chair,  
including major examples of 20th  
century design; to Dec 17

Grand Palais  
Tel: 33-1-4413 1730  
● Lorenzo Lotto: Rediscovered Master  
of the Renaissance. 50 paintings, many  
of them on loan from churches and  
museums in Italy. The exhibition will  
have been seen in Washington and  
Bergamo; to Jan 11

Musée d'Art Moderne de la Ville de  
Paris  
Tel: 33-1-5367 4000  
● La Collection du Centre Georges  
Pompidou: 200 works from the Musée  
national d'art moderne will be  
displayed here in three sections during  
the period of the Centre's renovation.  
The exhibition will consider the  
contribution of artists such as Matisse,  
Picasso and Kandinsky to the great art  
movements of this century. Other  
sections will explore Surrealism and  
the New Realism; to Sep 13

Musée d'Orsay  
Tel: 33-1-4049 4814  
www.musee-orsay.fr  
● Millet/Van Gogh: display of 85  
works brought together to demonstrate  
the influence of Millet on the work of  
Van Gogh. These include paintings,  
drawings and pastels by both artists,  
many of them on loan from the Van  
Gogh Museum in Amsterdam; to Jan 3

Musée du Louvre  
Tel: 33-1-4020 5151  
www.louvre.fr  
● Portraits from Roman Egypt: touring  
exhibition of mummy portraits,  
originated at the British Museum.  
Painted on wooden panels, linen  
shrouds and plaster masks, they were  
created during the first three centuries  
of Roman rule in Egypt; to Jan 4

## ■ PHILADELPHIA

## EXHIBITIONS

Philadelphia Museum of Art  
Tel: 1-215-763 8100  
www.philamuseum.org  
● Delacroix: The Late Work.  
Organised to celebrate the 200th  
anniversary of the artist's birth, this  
exhibition, first seen in Paris, includes  
70 paintings and 40 works on paper  
from private and public collections  
around the world; to Jan 3

## ■ PROVIDENCE

## EXHIBITIONS

The RISD Museum  
● Gifts of the Nile: Ancient Egyptian  
Faience. Display of ceramics, known  
as faience, a mixture worked by the

Egyptians and regarded by them as  
magical. Brings together over 200  
works, including statues of kings  
and gods, animals and inlaid boxes  
ranging over 5,000 years; to Jan 3

## ■ SAN FRANCISCO

## EXHIBITIONS

San Francisco Museum of Modern  
Art  
www.sfmoma.org  
● Alexander Calder (1898-1976):  
around 250 works, among them some  
of the best examples of Calder's  
formally innovative sculpture. Alongside  
the mobiles and stables are selected  
paintings, drawings and jewellery,  
presenting the breadth of the artist's  
career on the occasion of the  
centenary of his birth. The exhibition  
has already been seen in Washington  
(mention Barcelona); to Dec 1

## ■ STOCKHOLM

## EXHIBITIONS

Moderna Museet  
Tel: 46-8-5195 5200  
www.modernamuseet.se  
● In Visible Light: Photography and  
Classification in Art, Science and  
Everyday. Traces the evolution of  
photography from its anthropological  
and scientific applications in the late  
19th century to works by artists  
including Andy Warhol and Cindy  
Sherman; to Nov 15  
● The Desiring Eye: 220 works  
spanning the history of photography,  
from the 1840s to the present.  
Includes works by Hill-Adamson, Julia  
Margaret Cameron, Nadar, Alfred  
Stieglitz, Man Ray and Berenice  
Abbott; to Nov 15

## ■ TOKYO

## EXHIBITIONS

Metropolitan Museum of  
Photography  
Tel: 81-3-3280 0031  
● Love's Body: Rethinking Naked and  
Nude in Photography. Includes works  
by Alfred Stieglitz, Robert  
Mapplethorpe and Catherine Opie;  
from Nov 12 to Jan 17

## ■ WASHINGTON

## EXHIBITIONS

National Gallery of Art  
Tel: 1-202-737 4215  
www.nga.gov  
● Bernini's Rome: Italian Baroque  
Terracottas from the State Hermitage  
Museum, St. Petersburg. 35 rarely  
exhibited sculptures, bought by Tsar  
Paul I from Filippo Farsetti. Among the  
14 artists represented are Bernini and  
Algarotti; to Jan 18  
● Van Gogh's Van Goghs: 70  
paintings loaned by the Van Gogh  
Museum in Amsterdam. Includes such  
icons as The Potato Eaters (1885),  
Self-Portrait as an Artist (1889), The  
Harvest (1888) and Wheatfield with  
Crows (1890); to Jan 3  
Phillips Collection  
Tel: 1-202-387 2151  
● Impressionists in Winter: Effets de  
Néige. Inspired by Sisley's Snow at  
Louveciennes, this display includes 62  
works from 44 collections. Artists  
represented include Monet, Pissarro,  
Caillebotte and Renoir; to Jan 3

## OPERA

Washington Opera, Kennedy Center  
Tel: 1-202-295 2400  
www.dc-opera.org  
● Fedora: by Giordano. Conducted by  
Roberto Abbado in a production by  
Lamberto Puggelli, directed here by  
David Edwards, and designed by Luisa  
Spinatelli. The cast is led by Mirella  
Freni and Plácido Domingo; Nov 9

## ■ ZURICH

## EXHIBITIONS

Kunsthaus Zurich  
Tel: 41-1-251 6765  
● Max Beckmann and Paris: more  
than 100 masterpieces of modern art  
from public and private collections  
around the world. Works by Beckmann  
are shown alongside paintings by  
Matisse, Picasso, Braque, Léger and  
Rouault; to Jan 3

Arts Guide by Susanna Rustin  
e-mail: susanna.rustin@ft.com  
Additional listings supplied by  
ArtBase Tel: 31-20-664 6441  
e-mail: artbase@pl.net



# Weekend Investor

Wall Street

## Big is not so beautiful any more

John Authers finds that perceptions of corporate America are changing fast

This week brought a few signs that Americans were not treating life wholly seriously: indeed, that they might even be avoiding reality. The nation dived into fancy dress for Halloween. And then, on Tuesday, it goggled as a former professional wrestler named Jesse "The Body" Ventura was elected as governor of Minnesota.

Wall Street seemed to be exercising the same kind of judgment as the voters of Minnesota. Obsessed by the decision of Alan "The Money" Greenspan to cut interest rates, they made October the single best month for the Dow Jones Industrial Average since January 1987, with a gain of more than 10 per cent. November has started in similar vein and the Dow is back within striking distance of 9,000.

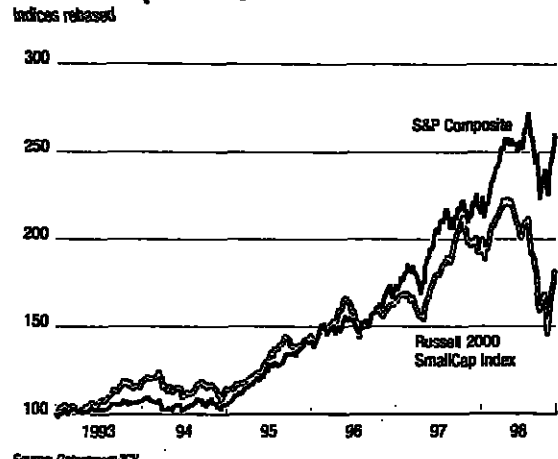
Using arbitrary measures, the stock market dive from July into September has now been labelled a "correction" and not the start of a "bear market". Optimistic forecasts are being reinstated and money is trickling back into the corporate bond markets which, at one point, seemed to have dried up.

Further warmth for the market came from Florida, where Abby "The Bull" Cohen, Goldman Sachs' equity strategist who is famously optimistic about the market, said confidently that she saw no reason to change her forecast for the year-end which she had made in January. This would see the Dow at about 9,300, roughly back to its highs.

Greenspan commented at the same meeting that the "current episode of investor fright" appeared to be receding. The yield on the Treasury bond is beginning to retreat to more normal levels - it is now about 5.40 per cent, having dipped below 5 per cent for a while - and some signs of normality are returning.

If the past few months were just a "correction" after all, it is interesting to note that the strongest performers since August 31, when the market tumbled, are all drawn from sectors that had taken a particular pounding. These include computer hardware makers

The smaller boys are ready to move ahead



and semiconductor manufacturers. Companies such as Micron Technology and Seagate are up more than 70 per cent in the last two months.

Basic materials companies such as Bethlehem Steel which is up more than 46 per cent since August, and mining companies have also rebounded strongly. The top internet companies are back to their headline heights, too, with America Online and Amazon.com at or near all-time highs. Charles Schwab, the dominant internet broker and, as such, a wonderful leading indicator of buoyancy in the markets, has gained 95.4 per cent since the end of August.

Other companies have not enjoyed the same recovery, though. Gillette and other consumer branded companies dipped, and have stayed down. But, most significantly, smaller companies have started to outperform the large caps that have dominated the market for several years.

Indeed, size, and particularly the grand merger, has gone suddenly out of fashion, as events in the banking sector illustrate. Last weekend, Citicorp, the result of the massive merger of Citicorp and Travelers Group, said it had decided on a completely different strategy for integrating its corporate businesses.

Wall Street reacted by taking a new look at the valuation it was prepared to put on Citicorp shares. All along, they had been valued on the assumption that the group's executives had a plan to make it work, even

though they had not told the market about it. The sudden change of course revealed that executives had never bothered to think through what they were going to do.

Citicorp's price-earnings multiple is now 15. Its share price, wavering at around \$46 yesterday, is well above its lows but values the bank at about \$100bn - way below the \$166bn at which the combined entity would have been worth when the merger was announced.

Contrast this with America's 31st largest bank, Fifth Third Bancorp of Cincinnati. On almost every benchmark, it is the most efficient bank in America. Its idea of expansion is to move from Ohio into Indiana and Kentucky. It has never done a big deal and it has total assets of about \$30bn - \$700bn or so less than Citicorp's.

In spite of this disparity, its market value is about \$16.5bn. And it trades off a price-earnings multiple of 44, three times that of Citicorp. Its shares hit a new high this week, and are up more than 71 per cent since their low point of the year.

Americans elsewhere might have been entranced by vast muscular bodies but, in its corrected state, the market seems to be saying that size is not everything.

**Dow Jones Ind Average**

Monday 8,706.67 + 114.05

Tuesday 8,708.15 - 00.52

Wednesday 8,783.14 + 75.99

Thursday 8,915.47 + 132.33

Friday

London

## Taking pride in perversity

Philip Coggan looks into a case of ingratitude

Some people are never grateful. The Bank of England gave the equity market the half percentage point cut in interest rates for which many people had been calling, and how did it respond? A 143-point fall in the FTSE 100 index.

The stock market is in one of those phases where it seems to take a pride in being perverse. For the past month or so, gloomy economic news has been treated as an excuse to pile into shares on the ground that this made interest rate cuts more likely.

Of course, one of the oldest stock market mantras is "buy on the rumour, sell on the news". So, it could just be that, in spite of most economists predicting only a quarter-point rate cut, the markets had priced in a half-point change. The confirmation of their hopes gave them an excuse to take some profits.

And there were a lot of profits to take. From the low on October 5, Footsie has rebounded almost 1,000 points, or 21 per cent, in a month. That is a pretty strong rally by anybody's standards.

The talk among market-makers was that a classic "bear squeeze" had occurred, whereby those people who were negative on the market had been forced to chase stock as share prices ran away from them. But one should not forget the international background. Markets all round the world are surging ahead as if the problems of August and September were all forgotten.

On Wall Street, the Dow Jones Industrial Average is back near 9,000 (after being 7,500 at the end of August) while Germany's Dax, below 4,000 early in October, is approaching 5,000. Even the Asian markets have been rallying strongly, with Indonesia and Thailand both

up 60 per cent in October.

Central banks have done the trick. While rates have not been cut in the core European countries of Germany and France, other European nations have been reducing their rates in line with the euro process. Most important of all, the US Federal Reserve has twice cut rates and signalled it will act decisively to keep the American economy moving ahead.

Concerns about the health of the world financial system, which reached a peak after the near default of Russia and the rescue package for the US hedge fund, Long-Term Capital Management, seem to have abated.

However, the outlook for the world economy in 1999, and for corporate profits in particular, does not seem to have improved. The swift response from the monetary authorities is welcome," says Richard Kersley, strategist at Credit Suisse First Boston.



Twisted market: down it went after the rate cut

"But it may not reverse the poor news flow from the corporate sector very quickly. The bottom-up forecasts for UK corporate earnings in 1999 are still probably 15 per cent too high."

There was plenty of evidence this week of how the pain was hitting home.

Marks and Spencer, the doyen of the UK retail sector, revealed its first profits decline in seven years and warned that it would not meet its sales targets for the rest of the year. It said there had been an unexpectedly sharp downturn in clothing sales during September and October.

Royal Dutch/Shell reported a 56 per cent drop in third-quarter earnings, citing weak oil and petrochemical prices and the Asian recession. Royal & Sun Alliance, the composite insurance group, saw its nine-month operating profits more than halved because of weather-related losses and commercial property claims.

It is reasonable to assume that the next few months will see a stream of similar statements and disappointments from companies struggling to increase profits at a time when demand (external and domestic) is sluggish and it is extremely difficult to raise prices. Companies that can manage to grow in such circumstances seem likely to attract a premium rating.

In the recent rally, one company that really has prospered is Colt Telecom. Its share price has gained 85 per cent in a month.

The words "premium rating" scarcely apply to Colt, which is not expected to make a profit until 2002. Thus, it has no price-earnings ratio.

But the company, which offers direct fibre optic cable communications to business customers in big cities, has record of meeting financial and technical targets and third-quarter sales figures, released this week, were well ahead of analysts' expectations.

So, investors can drool about the long-term profit potential of Colt. Just as they have done about internet groups and biotech companies. At the same time, a technical squeeze is helping the stock.

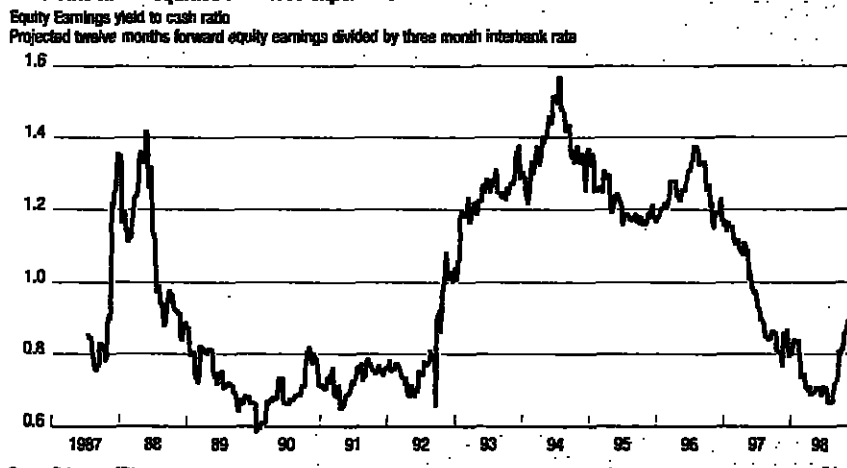
Fidelity Investments, the US fund manager, has a majority holding, which means there is a limited supply of shares available. And institutions have been scrambling to get a weight in ever since Colt joined the FTSE 100 index.

The danger with all such shares is that, with few solid valuation methods available, investors may be too big a part in principle, one can forecast the company's future cash flows and discount them to create a present value.

In practice, given the errors analysts make in forecasting next year's earnings, how confident can one be about estimates five years or so into the future? This is a stock that would react violently to almost any bad news.

philip.coggan@ft.com

Rate cuts make equities look less expensive



### Highlights of the week

	Price	Change	52 week	52 week
	YTD	on week	High	Low
FTSE 100 Index	5491.0	+52.6	6175.0	4643.7
AEA Technology	812 1/2	+82 1/2	1000	430
British Airways	405	-29	721	303 1/2
BP	913	+36	972	708 1/2
CMS	1580	+180	2297 1/2	682 1/2
Graham Group	123 1/2	-26	200	107 1/2
ICI	590	+53 1/2	1244	412
Lanex	124	-44 1/2	806 1/2	119
Low & Bonar	182 1/2	-13 1/2	420	165
Marks & Spencer	410	-32 1/2	683	363 1/2
Matthew Clark	228 1/2	+42	242	112
Micro Focus	130	-55	721	105
Parity	410	-42 1/2	882 1/2	381
Slide	209	-36	395	168 1/2
Vodafone	834	-34	980	288

Barry Riley

## Money at a loose end

Be prepared for more violent fluctuations



Confusing, isn't it? If you read the latest UK business opinion surveys, you will get the impression we are in for a veritable hurricane of fluctuations. But the Footsie index has bounced back with amazing vigour from its late summer dive, rising by 1,000 points (or 21 per cent) in a month by last Wednesday, before some profit-taking.

Gordon Brown, the chancellor of the exchequer, also chose optimism in his pre-Budget report on Tuesday, forecasting only the gentlest of soft landings next year and a swift resumption of 2.5 to 3 per cent economic growth thereafter.

Is the stock market simply in denial? One clue to its behaviour is that, in liquidity terms, the background is extraordinarily favourable. If you believe Brown (and many in the City of London don't), the government will stop borrowing in net terms over the next few years. In 1998-99, in fact, gross issues of gilt-edged will be only some £3bn against £17bn of redemptions. At the same time, the net supply of UK equities has also turned negative, with the dwindling supply of new issues failing to match the buy-backs of shares by companies, together with takeovers for cash. Next April's corporation tax changes will tend to accelerate the equity shrinkage.

This leaves the investment institutions with a healthy \$90bn a year of net cash inflows but nothing to do with the money except to send it overseas or to buy corporate bonds (the flow of which has dried up, too, at least temporarily). And cash does not seem a promising investment, because it is clear that sterling interest rates are going to fall a long way over the next year; the Bank of England chopped an aggressive half-point off its repo rate to 6.75 per cent on Thursday.

With demand and supply so far out of balance, this is an unstable situation, with a widening gap between the momentum players (who follow the cash flows) and the value investors. Volatility is exaggerated further by the way that stock markets are dominated these days by the trading desks of the big global investment banks. All this leaves company directors perplexed at seeing their share prices move wildly up and down for no obvious reason. It seems the stock market has almost ceased to function as a mechanism for rational valuation.

Can we trust those surveys? It is possible there has been feedback from the summer's stock market dive. If so, the surveys may soon mirror the quick recovery in stock market sentiment. Yet, the CBI industrial trends survey has an excellent long-term record: it failed to be impressed, for instance, by the rogue stock market crash of 1987, which had few economic effects, but it correctly anticipated the early 1990s decline in GDP. It is now clearly indicating another recession.

The purchasing managers' survey goes back only to 1991 but has provided reliable signals since then. This week, it gave by far its weakest-ever reading of

37.1 for new manufacturing orders against a previous 1992 low of 43. Either this is a conspiracy to hustle the Bank into action or trouble lies ahead - for manufacturers, anyway. The Bank's monetary policy committee, for its part, seems to have bought at least part of the recession story. Opinions vary about whether the curious market setback after Thursday's news reflected simple profit-taking or worries that the Bank was suddenly getting alarmed.

Fortunately, Brown has formally proclaimed the end of boom and bust. But we sceptics should note that, in late 1997, GDP was growing at 4 per cent year-on-year. That has slowed to 2.5 per cent. If there is to be a recession, it will result from a shake-out in stocks and a cut in fixed investment which, new statistics show, has risen by 17 per cent in three years. The inventory shock is likely to be temporary but the investment curbs might not be. Overall, however, the British economy could start growing again next summer, and certainly that is what the stock market is anticipating - if it is indeed behaving rationally.

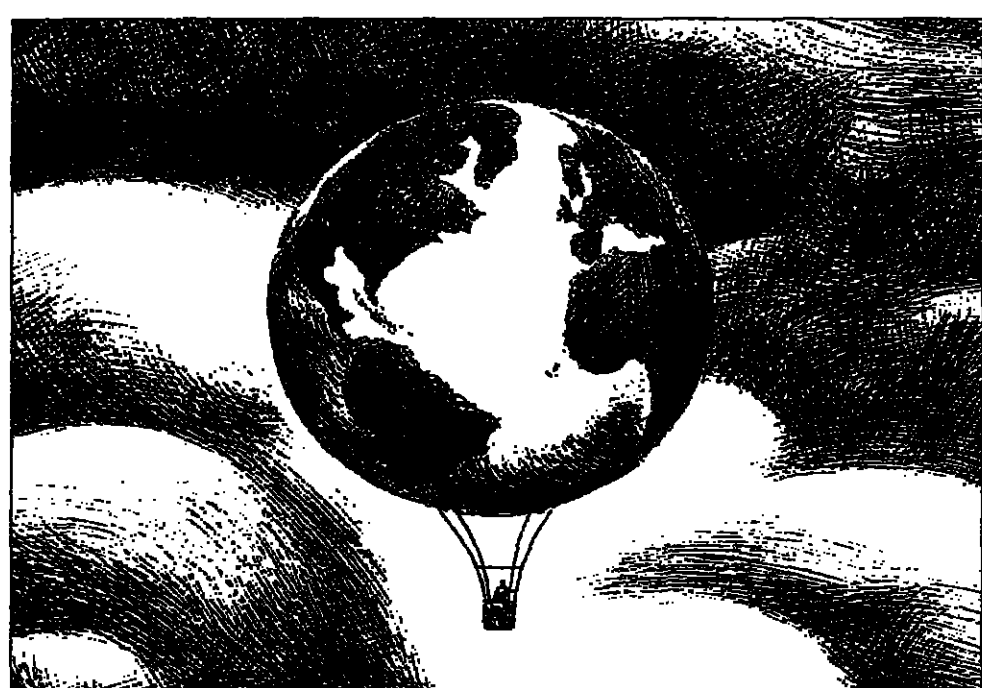
At present, though, the profits cycle appears to be more worrying than the overall economic cycle. Overcapacity was a key factor in the Asian economic crisis. In the west, capital investment has continued to boom, not just in the UK but, also, in the US. More investment could imply faster growth. This, after all, is just what Dr Brown has

ordered in the past. But in the US and UK, at least, there are potential constraints from relatively tight labour markets. Moreover, global demand has been hit badly by the financial collapse of large parts of Asia. Excessive investment will be penalised by downwards pressure on the prices of goods and services and a tumble in profitability - which, in the US, has been historically high, anyway.

Most western companies are financed a lot more securely than their Asian counterparts, so a profits decline in the US and Europe would not threaten another financial crisis. But there is an obvious challenge for the stock markets as they race back cheerfully to fancy valuation levels - an average price/earnings ratio of 20 in the UK and more like 30 in the US. On a prospective basis, if profits fall, those ratios could be higher still. We are getting shocks already from blue chips as varied as Marks and Spencer and Shell.

In the short run, the money has nowhere else to go. True, a sharp recession would tip the public and corporate sectors into financial deficit, so triggering the flows of government bonds and equity rights issues which could absorb savings flows. But, for the moment, the bubble is being inflated again after an interval during which the big investment banks battered down the hatches as they feared a huge credit crunch.

That particular hedge fund panic is over. But we must be ready for further violent fluctuations in share prices.



## A world of opportunities for the private investor.

If you are a private investor based outside the UK and you have US\$500,000 or more to invest, we can open up the world for you. Our International Portfolio Management service gives you easy access to all major equity and bond markets, through London or through our Channel Islands affiliate.

Our credentials are impressive. We are one of the largest private client investment managers in the United Kingdom. We are

also a member of one of the world's largest banking and financial services organisations.

If you would like to know more, call Stephen Oakes in London on (+44) 171 626 0566. Or you can fax him on (+44) 171 283 3189.

James Capel Investment Management. We make the most of your international investments, wherever you are in the world.



James Capel Investment Management

Member HSBC Group

6 Bevis Marks, London EC3A 7JQ, United Kingdom

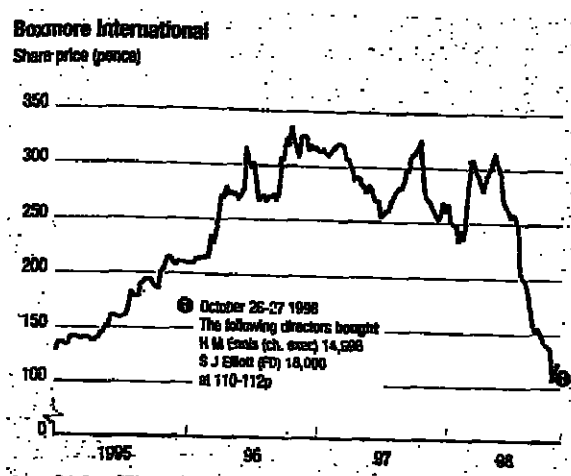
James Capel Investment Management is a trading name of HSBC Investment Bank plc. Registered in the UK and a member of the London Stock Exchange. Services in the Channel Islands are provided by James Capel (Channel Islands) Limited which is incorporated under the laws of Jersey and is not subject to the rules and regulations of the Financial Services Act 1998. All rights reserved.

For an interactive guide to personal finance, visit <http://www.FTQuicken.co.uk>

سكرا من الاربعين



WEEKEND INVESTOR



Directors' dealings  
Sharing in the image

Four directors bought shares worth £138,600 at Dicom Group, a distributor of document image processing equipment, writes Chris Hill. The largest purchase was by Otto Schmidt, the chairman and chief executive, who acquired 100,000 at 80p. Dicom shares recently hit an all-time low and have underperformed the market by 72 per cent in the past year.

Following a disappointing set of interim results for the first six months of the year, two directors at Baxmore International have bought shares. Harold Kania, chief executive, and Stephen Elliott, finance director, acquired 14,588 and 18,000 respectively at 110p-112p.

The Northern Ireland-based packaging company, whose activities include making soft-drink bottles, blamed the summer's poor weather for a 15 per cent fall in pre-tax profits.

David Bailey, non-executive chairman of Hay & Robertson, bought 20,000 shares at 100p. Interim results in September revealed a rise in pre-tax profits to £800,000 from £500,000 last year. The company's shares have fallen more than 30 per cent in the past three months, however.

Directors' share dealings  
Transactions in own companies:  
20th-30th October 1998

Company	Sector	Shares	Value £'000	No. of directors
<b>SALES</b>				
Perpetual UK Small	InvT	24,000	89	1
Thornton	RealE	100,000	200	1
Corporate Executive	SSer	33,000,000	495	1
<b>PURCHASES</b>				
MetalsRussia Group	Uncl	4,080,000	2,652	1
Courtaulds	Chem	10,000	25	1
Kellogg Group plc	Cons	7,468	16	2
Diamond Group plc	Dist	154,000	139	4
McKenzie	Eng	5,547	20	1
Courtaulds Textiles	HGcd	60,000	92	2
Hay & Robertson	HGcd	20,000	20	1
Hiscox	Ins	100,000	182	1
Smaller Companies	InvT	15,000	18	1
Core Group plc	Phrm	41,182	22	4
Baxmore Int'l	PP&P	32,588	38	2
Muskhaw (A. & J.)	Prop	33,806	49	2
Body Shop Int'l	RealE	100,000	99	1
Sears	RealE	15,000	25	1
Corporate Executive	SSer	5,186,667	78	4
Division Group	SSer	100,000	27	1
Microgen Hidge	SSer	100,000	97	1
Jersey Phoenix Ltd	Uncl	27,945	33	1

Companies must notify the Stock Exchange within five working days of share transactions by a director. This list contains all transactions (bought and sold), including exercise of options (if 100% subsequently sold, with a value over £10,000, information released by the Stock Exchange. Shares traded are ordinary, unless otherwise stated. FT Source: BAPFA The Inside Track, Edinburgh, 0131-473 7070

Last week's interim results

Company	Sector	Half year to	Pre-tax profit (£m)	Dividends per share (£)
AB Airlines	Time	May	4,471 (0.771)	-
Advent 2 VCT *	InvT	Aug	95	1.4
Anglian Water	Wtr	Sep	112.9 (141.7)	12.8 (11.5)
Ann Street	AIM	Jul	5.16 (5.27)	3.5 (3.5)
Avonco Oil	AIM	Jun	2,241 (0.444)	-
BAA	Time	Sep	307 (310)	5.3 (4.9)
BP *	Oil	Sep	2,131 (2,851)	8 (5.5)
BSE & S	Med	Sep	32.9 (61.8)	0.55 (0.45)
Burlingame	Dist	Sep	5.8 (2.8)	-
Bute	RealE	Sep	74.71 (105.4)	- (3.7)
Blackland Int'l	AIM	Jul	0.081	-
Charles Stanley	Dist	Sep	3.59 (1.69)	1.25 (1)
Emarsh Energy	Oil	Jun	0.61 (0.18)	-
Eurostar Mining	AIM	Jun	0.5711 (0.5471)	-
Fleming Inc & Cap	InvT	Sep	128.9 (130.1)	1.8875 (1.4)
Hardy Weir	AIM	Jun	0.184 (0.011)	-
Harold Whitting	SSer	Sep	1.088 (0.888)	-
Holding Partners	RealE	Sep	2.70 (5.07)	2.7 (2.7)
Huntingdon Life *	Phrm	Sep	12.61 (3.821)	-
Independent Energy *	AIM	Sep	0.085 (0.2861)	-
LP *	PP&P	Jun	0.7531 (0.2141)	-
Later-Scan	SSer	Jun	0.6921 (0.4981)	-
Lezo	AIM	Jun	0.5421 (0.177)	-
London Soca	Prop	Jun	0.482 (0.622)	-
Macdon Int'l	Eng	Jun	1.81 (5.421)	-
Mackay & Spence	RealE	Sep	284.2 (482.3)	3.7 (3.8)
Mercury European	InvT	Sep	184.65 (177.04)	0.85 (0.69)
Metco	Dist	Jun	0.102 (0.12)	-
Metco	AIM	Jun	0.2811 (1.717)	-
Metco	InvT	Sep	571.9 (571.9)	2.5 (2)
Metco	Brws	Sep	4.25 (2.39)	1.8 (1.2)
Metco	AIM	Jun	0.4281 (1.81)	-
Metco	AIM	Jun	0.4541 (0.4581)	-
Metco	RealE	Aug	6.8 (8.7)	2.3 (2.1)
Metco	Dist	Jun	0.1571 (0.42)	- (0.7)
Metco	Time	Sep	284.0 (199.0)	8.7 (7.9)
Metco	InvT	Sep	107.86 (116.1)	1.0 (0.8)
Metco	InvT	Sep	0.265 (0.262)	-
Metco	Dist	Sep	0.381 (0.32)	-
Metco	Oil	Sep	4.088 (0.194)	-
Metco	Dist	Sep	267.2 (245)	7.5 (6.8)
Metco	InvT	Sep	118.3 (134.8)	1.17 (1.17)
Metco	InvT	Sep	37.4 (23.2)	-
Metco	AIM	Jun	0.1511 (0.155)	-
Metco	InvT	Sep	19 (12.7)	1.6 (1.4)
Metco	InvT	Sep	0.2921 (0.333)	1 (1)
Metco	AIM	Sep	0.132 (0.107)	0.5 (1)
Metco	AIM	Aug	0.339 (0.591)	0.7 (1)
Metco	RealE	Aug	0.8 (2.481)	-
Metco	AIM	Jun	0.1511 (0.155)	-
Metco	InvT	Aug	82.94 (125.05)	-
Metco	Wtr	Sep	214.2 (202)	14 (12.5)
Metco	AIM	Jun	0.3881 (0.2581)	1.0 (1.0)
Metco	AIM	Sep	0.42 (0.288)	1.7 (1.6)
Metco	AIM	Jun	4.38 (1.48)	-
Metco	AIM	Jun	0.1511 (0.155)	-
Metco	Wtr	Aug	0.207 (0.225)	-
Metco	Wtr	Aug	18.3 (13.5)	2.5 (2.37)
Metco	Wtr	Sep	0.723 (0.501)	-
Metco	Brws	Sep	6.15 (5.07)	1.38 (1.15)

Figures in parentheses are for the corresponding period. \*Dividends are shown net of tax. For more details on company performance, see the FT website at [www.ft.com](http://www.ft.com). For more details on company performance, see the FT website at [www.ft.com](http://www.ft.com). For more details on company performance, see the FT website at [www.ft.com](http://www.ft.com).

Bids / deals

Cider maker calls time

Matthew Clark, the troubled cider maker hit by the rise of so-called alcopops, has been bought for £213m by Canadiana Brands, a US drinks producer and distributor, writes *Financial Times*. Canadiana is based in Fairfax, New York, and the move is the first part of an expansion drive into Europe. The offer represents an 81 per cent premium over the share price immediately before Matthew Clark announced it was in takeover talks two weeks ago.

Deutsche Post, the German state-owned postal service, is paying £223m for a 50 per cent stake in Securicor's UK parcels distribution business in a drive to build a pan-European network ahead of the liberalisation of European Union postal services.

Taylor & Francis, the 200-year-old academic publisher, has agreed to buy the competing Routledge Publishing for £90m from Civen, the private equity house. Taylor & Francis is paying £83.4m in cash and £3.4m in equity, with £4.2m deferred for two to seven years. It will raise £22.7m from a placing of two shares at 193p for every 11 held. The companies have complementary titles.

Macmillan, the publisher whose hostile bid for rival Cassell was trumped by Orion Publishing Group last week, has quit the battle by deciding not to extend its 100p-a-share offer.

Current takeover bids and mergers

Company	Value of bid per share*	Market price	Pre bid price	Value of bid £m	Bidder
Amber Industrial	130*	128	82%	20.55	Calsonics Int'l
Bizon	311,955	286%	212%	274.16	Sloagh Estates
Bucknell Grp	100*	100	59%	14.7	Chex Grp
Canning (W)	300*	285	268%	88.5	MacDonald
Cassell	100*	124%	45	7.3	Macmillan Publs
Cassell	125*	124%	114	9.85	Orion
Clarendon Grm	181*	18%	22%	10.12	Countdown Test.
David Brown	290*	287%	243%	194.88	Tecum Inc
Dennis Grp	470*	470	462%	268.85	Mayflower
Doctex	370*	370	344%	67.87	British Btlr
Flores	210*	205%	140	50.19	Day Runner
Gardiner Group	20*	20	25	27.02	Royal Group
Hardy Oil & Gas	180	183%	105%	294.20	British Borneo
Jerome	53%	49%	33%	7.40	Warrington Grp
London & Manchester	500*	501%	508%	742.8	Frost Private Ltd
MMS Petroleum	35%	35	25%	4.06	Greenwich Res.
MMS Petroleum	35*	35	28	4.27	Rancho Energy
Matthew Clark	242*	239%	191%	215.05	Canadadian
Polyhedron	80*	85%	86	30.10	American Tool Co
Robert Walters	225%	220	270%	81.03	Sturtevant
Robinson	225*	220	180	207.27	Appl Power Inc
Sedgwick	225*	224%	142%	1,250	Marshall & McLan Co
Southern Electric	624%	624	560%	3,070	Scottish-Hydro
TDS Circuits	20*	18%	9%	4.22	Weyssaele
TLS	175*	174	149%	328.47	Wesall
UPF	112%	115	90	42.88	Harbide
VCI	120*	118	107%	48.8	Kingfisher
Viglen	248*	23%	23%	29.28	Amcol Int'l
Waverley Mining	(5)	7%	9	1.76	Corporate Resolv

Prices in parentheses are for the corresponding period. \*Dividends are shown net of tax. For more details on company performance, see the FT website at [www.ft.com](http://www.ft.com). For more details on company performance, see the FT website at [www.ft.com](http://www.ft.com). For more details on company performance, see the FT website at [www.ft.com](http://www.ft.com).

Week ahead

The telecommunications industry takes centre stage next week and is likely to reassure investors that growth is still possible in the sector in spite of the economic slowdown that has prompted downgrades to profit forecasts across a range of industries, writes *Financial Times*.

Monday: Interim figures from Robert Wiseman Dairies kick off a set of figures from a raft of dairy companies that come against a background of turmoil in the milk industry. Wrangles over the pricing of raw milk have led to a regulatory inquiry into the industry. This is due to report in January and could lead to a shake-up in milk supplies.

Wednesday: British Energy which, with 21 per cent of the UK market, is the country's largest electricity gen-

erator, is expected to reveal further details of its expansion plans in the UK and US when it reports interim figures. There might be news on the race for London Electricity.

Cable and Wireless interim results are always somewhat of an anti-climax, coming immediately after both of its principal subsidiaries, Hongkong Telecom and Cable and Wireless Commu-

In the Pink

Do yourself a favour and buy now while stocks last

John Lee thinks smaller companies still offer good value, despite the general lack of interest

For smaller company investors, my message is simple - there is super value out there, you are getting £1 for 50p, so buy while stocks last!

It is difficult to remember a time when small companies were so undervalued relative to their larger peers. As the world of fund management becomes increasingly global, with mergers and takeovers creating ever-larger funds, one can understand the irrelevance of smaller, relatively illiquid, holdings to fund managers.

One would have thought that a normal buyer-seller relationship would produce a rise in the share price sufficient to tempt out some stock but this just does not seem to be happening in today's markets.

reserve of cash or near-cash for unforeseen domestic circumstances and normal prudence. Equity investment is still "risk" investment - rewards are not guaranteed.

Having established how much one can invest for the longer term, it is now a question of differentiating between super-value, value and unattractive stocks. There is no substitute for reading and research, and here I find the FT Annual Reports Service (0181-770 0770) very useful, and the Hemmington Scott

assets. I have always liked conservative companies - cash-rich or, at worst, with a very low level of debt.

One looks for continuity of management, with infrequent board changes, and directors with meaningful shareholdings in the companies to which they are committed.

Some will argue with what might appear to be a rather cautious, even dull, approach. All I can say is that this policy has served me well over nearly 40 years of investing. While I surely miss some shouting stars, I have few disasters.

Investing is rather like golf. It is the bad shots that ruin your round. So, we are looking for established smaller companies, built up over many years, which have weathered the pressures

Sadly, media and broker coverage of smaller companies has also been reduced, adding to the wallflower syndrome.

I have now come to the view that an investor in smaller company stocks has to accept the lack of liquidity and smoothness in markets, and that movements are more likely to be infrequent and lumpy. So, my contention is that investors need to regard their holdings as being more of a semi-private nature (ie. not always able to be bought or sold), with shares having to be held for longer periods - three years plus - but consequently demanding a higher level of running dividend yield as compensation.

Publication Company REFS excellent value.

Those who use traditional stockbrokers have access to research material and independent advice. Those who use an execution-only service put themselves at a disadvantage. You get what you pay for.

Buy-ins, buyouts, takeovers and pay-backs to shareholders will occur at substantially higher levels, although whether they happen in five years, five months or five years, is impossible to predict.

Where, then, do we go from here? We cannot ignore the lack of interest shown by fund managers in

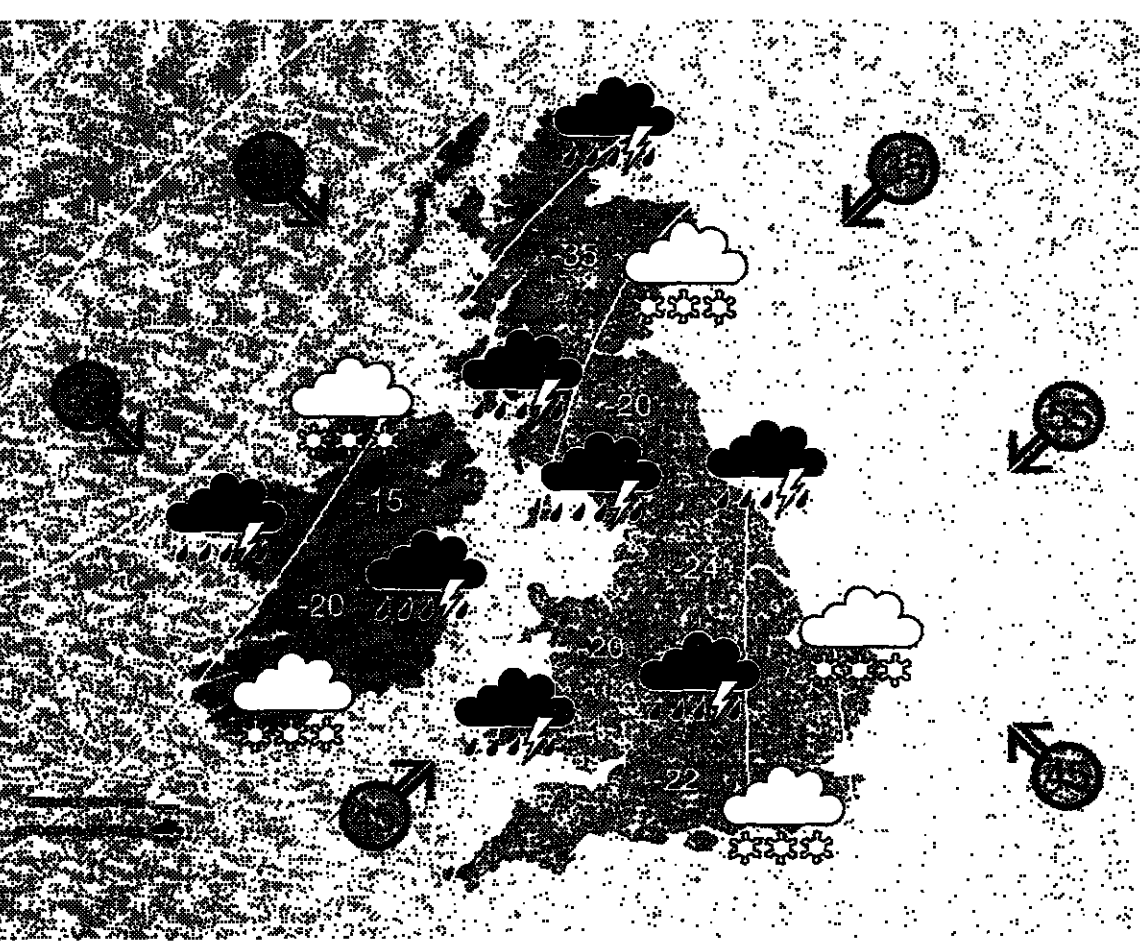
How then do we find our super-value stocks? I have always believed that the key to successful investing is to avoid the losses; rather like golf, it is the bad shots that ruin your round.

So, we are looking for established smaller companies, built up over many years, which have weathered the pressures of recessionary times and volatile currencies; businesses that have a history of rising dividends; and are well backed by

Be patient; you must factor time into the investment equation. However, with interest rates tracking downwards, there could be some shorter term appreciation as buyers search for juicy yields.

For value investors, NOW is the time. I find myself positively salivating - indeed, spoilt for choice - at the high yields and low price/earnings ratios of many excellent, genuine, smaller pics.

John Lee has been a serious investor in smaller companies for many years.



WHY NOT ESCAPE MORTGAGE GLOOM TOO?

- No application fee
- No valuation fee
- No Higher Percentage Advance Fee
- Fixed for 5 years until 1.1.2004
- No "lock-in" after the fixed-rate period

In this uncertain financial climate, we think you'll want to a fixed-rate mortgage from Woolwich Direct. Not only does it offer an attractive current interest rate of 6.85% (L05APR) and a host of other money-saving benefits, but it's fixed for five years so you needn't worry about rate rises. If your home is in the UK and you are

planning to return to it, this mortgage could make perfect sense.

Alternatively, if you are tempted by the exciting investment opportunities in residential lettings, find out about our equally attractive Buy To Let mortgages. For more information call Woolwich Direct today, quoting reference FTD711.

Get much more with  
**WOOLWICH DIRECT**  
+44(0)181 338 60 67

YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT.

APR example and based on the assumption that the mortgage rate applicable during the fixed period will be 6.85% and that the rate will rise to 7.5% after the fixed period ends. The example is based on a mortgage of £100,000 at a fixed rate of 6.85% for five years. The example is based on a mortgage of £100,000 at a fixed rate of 6.85% for five years. The example is based on a mortgage of £100,000 at a fixed rate of 6.85% for five years.



## FT WEEKEND

True Fiction

## Suffering in the name of science

Jurek Martin admits to covert alien activities in the spheres of sport, politics and space travel

Now that John Glenn is safely back on earth for the second time in his life, I thought it would be useful to bring you up to date on some of my own, that is, alien, activities in matters of current and recent interest.

You may recall that Glenn's first mission into space in 1962 involved only three orbits of the earth rather than the planned seven. I can now confess that was my fault. I was travelling with him in one of my disembodied forms and, pursuant to science, tasted one of his astronaut snacks.

This did such damage to my metabolism, which is complicated enough in any case, to destabilise his Mercury spacecraft. In fact it would have gone round the earth in ever decreasing circles, the so-called goony bird syndrome, and he would have landed, at wary speed, in the mouth of the Simpson Tunnel, thereby bringing about the collapse of Switzerland. Consequently, and at great risk to my 17th intestine, I took it upon myself to abort the mission.

Since then, most of my endeavours have been earth-bound. About 20 years ago, I became particularly interested in the properties of the sphere and when it encounters a moving wooden object, preferably when wielded by a humanoid.

I therefore inserted myself in the cricket balls delivered by a pair of strapping young Australians, known collectively as Lillian Thomson. Unfortunately, the English humanoids holding their flat pieces of wood were never able to make contact with these little red spheres so my experiment was null and void.

But, undeterred, I picked up this thread, or more precisely stitches, again this year in America. I chose the white balls propelled by similarly strapping

young fellows wearing pyjamas at tobacco-chewing brutes also in pyjamas and holding long round pieces of wood.

My exhaustive research indicated that a McGwire and a Sosa were more likely to make violent contact with the spheres than the hapless Englishmen had against Lillian Thomson. And I was right. 70 times for McGwire and 66 for Sosa.

But let me tell you, the pain was not worth it. It is bad enough being crushed into the air, splinters piercing my subatomic shields, but landing on those hard empty seats 500ft away, sometimes on metal railings too, was pure agony. In fact, Cosmowell, my alien Health Maintenance Organisation, told me it would not reimburse me if I continued my experiments next year.

Seeking less rigorous endeavours, and staying in America in spite of the dollar's weakness, I thought I would investigate the phenomenon of hot air emanating from the human mouth, updating the research of Demosthenes, my grandfather 10th times removed, who had done interesting work with pebbles.

I chose both place and time well, or so I thought. There was some controversy surrounding a Bill Clinton who had eaten a bad fruit which, by transmutation, became embedded in the nation's throat. The medical term, as I recall, is impeachment and the prescribed cure, in your quaint backwards culture, was for everybody to talk about it a

lot in the hope that he, or it, would eventually become dislodged or exonerated.

The trouble was you could not get away from it. At least in cricket and baseball you break for tea and beer, but in America, 24 hours a day for months on end, there was no escape from hot air, invariably delivered at maximum volume and with not a pebble in sight for relief.

When I went back to the Cosmowell clinic, with all my ear drums throbbing (and when you have as many as I do that is no picnic), the staff were even more strict with me. I was ordered, under pain of intergalactic unavailability, not to watch an earth television until the matter of the bad fruit was resolved.

I badly needed a break. It so happens I have always been interested in the human backbone. I have so many of them that a study of the simple human version would be altogether less taxing, or so I thought.

I chose as my subject a Mr Pnochet from Chile, who had a back problem and a pretty murky past, though that, I assumed, was another story. I was particularly gratified to discover, battered as I was by baseballs and hot air in America, that he was going for treatment to England, where they cannot hit cricket balls and, I was told, do not talk very much.

It started out as a very pleasant trip, lodged comfortably in first class between his fourth

and fifth lumbar vertebrae. I much enjoyed tea with a talkative woman with big hair who reminded me of Pinchof about their triumph over warlords such as the Argies and Lefties, both now extinct, or so they said.

Well, it was not quiet for long. It seems Pnochet was not immune to another condition, called Spanish extradition, which could also only be treated with huge doses of hot air from a plane called The Bench, which declared him immune again.

I didn't need all this, what with policemen outside the door, so I made my excuses and left. And that is why John Glenn came back safely to earth, though I seriously thought of keeping him up there.

I mean, it is so peaceful in space.

## True Fiction - the book

Don't miss True Fiction - the book. Containing 50 True Fiction columns, it is published by Penguin, price £7.95 - and that's the truth.

Arcadia

## Footprints along the road to cyberspace

In the Kalahari, bushmen have taken up computers, writes Vanessa Houlder

The bushmen of the Kalahari exert a powerful hold over the western imagination. The hunter-gatherers, who pursue their prey with bow and arrow, have long been viewed as the living embodiment of an ancient, untainted culture.

This romantic, but flawed, image of a primitive people has often been criticised. But rarely have its shortcomings been so exposed as by the bushmen's move into the computer age.

Dozens of bushmen are now using hand-held computers and satellite links to record their observations of footprints and trails. The resulting information about animals can yield potentially important benefits for wildlife conservation, anti-poaching programmes and tourism.

This juxtaposition of stone-age skills and state-of-the-art technology is largely the work of Louis Liebenberg, a South African conservationist. He has just won one of the prestigious Rolex "awards for enterprise", which are presented every few years by the Swiss watchmaking company.

Liebenberg's fascination with the Kalahari bushmen and the skills of tracking dates back to childhood holidays, when he would be transfixed by the mysterious tracks etched into the sand dunes on the beach.

His interest persisted until, in his late teens, he interrupted his scientific training to study animal tracks. For the next 10 years, he learned the art of identifying animal tracks, or spoor, by drawing them and by accompanying trackers on their expeditions in the Kalahari desert.

Liebenberg, 38, is still passionate about the subject that has dominated his life over the past 18 years. He talks enthusiastically about how to distinguish the traces of beetles from those of scorpions, to differentiate between superimposed layers of footprints in soft sand or to determine whether an animal is feeding or fleeing.

"It is not just following footprints. It is about interpreting the footprints within a context and creating a mental map of movements of animals in the area," he says.



Louis Liebenberg: 'It is about interpreting the footprints within a context and creating a mental map of movements of animals in the area'

In constructing a mental map of what the animal is doing, Liebenberg draws on an ability to empathise with the animal. For example, when following the tracks of kudu, a type of antelope, he would imagine himself as one, kicking up sand and getting tired. "You go into a semi-trance, physically feeling the motion of the kudu in your body," he says.

Liebenberg, who has written two books on animal track identification, is now a world authority on the subject. Yet despite having studied the subject for 18 years, it would take him another 10 years to get to the level of the best tracker, he says.

Given the immense time and effort required to acquire these skills, it is perhaps little surprise that tracking is in decline. "Why invest 20 years of your life in a skill that is dying out?" asks Liebenberg. In Lonestree, the village where he learned to track, there are now only three bushmen who hunt by following tracks and using bow and arrows. "In five years, it will be gone," he says.

By the early 1990s, Liebenberg felt that the outlook for his work on tracking was bleak. With no funding and his books out of print, he worked as a freelance illustrator, a guide for wildlife expeditions and an adviser to the African National Congress.

About this time, he conceived the idea that bushmen might be able to use computers to preserve their skills and exploit their knowledge. But it did not seem a practical proposition for the present generation of trackers, who were largely illiterate.

Soon afterwards, the head of the computer science department at the University of Cape Town came up with the idea of using a simple icon-based electronic recording device that did not require an ability to read and write. This idea took shape, with the help of Lindsay Stevenson, a student in the department, in the form of a handheld device, known as the CyberTracker.

Simply by tapping icons on a screen, the user can record more than 40 species and their activities, such as drinking, feeding, running, fighting, mating and sleeping. Each species has its own symbol. In the case of the endangered black rhino, each individual animal - which can be identified by the pattern of cracks on the underside of its feet - is given its own symbol.

The tracker can record information about the animals' feeding habits, as there are icons for more than 50 plants. These icons, which Liebenberg devised with the help of a bushman, are tiny symbols that illustrate a plant's appearance or its name. The

hand-held computers are linked to satellite navigation Global Positioning Systems, which establish the time of the observation and its precise location.

The CyberTracker has undergone field tests in the Karoo National Park in Cape Province. When the tracker goes back to the park warden's office, he transfers the findings on to a database computer. All the data - which could be up to 250 observations from each CyberTracker a day - are processed to make maps and charts of animals' movements and feeding habits.

The detailed knowledge of the movement of wildlife has obvious implications for combating poaching and for tourism. But the most promising application of all is for conservation, says Liebenberg.

Using trackers is much cheaper than using helicopters for aerial surveys and can give a more detailed picture of what is happening in an ecosystem. It has already provided insights into feeding patterns of the black rhino, and can tell conservationists when it may be necessary to cull some of the other, more plentiful animals in the area to reduce competition for food.

Despite early successes, winning acceptance for the CyberTracker is an uphill struggle. The opposition has not come from the bushmen, who have enthusiastically taken to the technology, but from some of the national park wardens.

The opposition from "old school" conservationists is partly, Liebenberg believes, because of his involvement with the ANC. In addition, there is a cultural prejudice against believing that illiterate people can contribute to science. "They believe you need a PhD to study animal behaviour," he says.

Liebenberg's aim is to preserve the art of tracking and win respect for the trackers. For now, many bushmen end up in menial jobs such as mending fences and digging holes. His hope is that by preserving the bushmen's skills, it will be possible to restore their dignity and way of life.

Metropolis

## I'm dreaming of a Euro miracle

Nicholas Woodsworth gets lost in Strasbourg, where a continent has put down roots for its future

It was early when I slipped out of my hotel into the streets of Strasbourg, so early, in fact, that even the most dedicated of Euro-parliamentarians were still fast asleep in their beds.

What visions, I wondered, paraded through those slumbering heads? Were the sleepers dreaming of Charlemagne's great coronation and a distant, romantic, pan-European past? Or were they dreaming of a distant, romantic future instead?

Awake, I found it difficult to imagine a United States of Europe stretching, happy and prosperous, from the Tagus to the Black Sea. But then I found it difficult simply imagining a happy end to the single-currency debate. Anything, however, is possible in dreams.

Let them sleep on a little longer, I thought. I am quite as pro-European as the next tourist, but I was enjoying the early morning calm. For in Strasbourg, the European parliament was in full plenary swing. Accompanied by armies of secretaries, researchers, translators and other Euro-functionaries, 626 MPs from 15 countries had converged on the city from across the continent.

Their arrival here once a month makes life hectic. Never mind the 2,600 offices, and vast conference halls. Just finding an empty hotel room is tough enough. I was happy to have Strasbourg to myself for an hour or two.

Is Strasbourg a city of the

past or of the future? Is it a place of narrow regional particularity - a historic Alsatian city - or a place of greater pan-European significance, potentially a capital for an entire continent? For the stroller-about-town casting a casual eye first on one sight, then on another, the answer is far from clear.

When the first of the day's streamlined, ultra-modern trams - a reduced-size version of the *train de grande vitesse* - rolled silently past me in the broad Place Kleber, I was reminded that Strasbourg is at the avant-garde of European urban redevelopment. Pollution-free, electrically powered buses hummed by. Commuters cycled past on the 160km-long network of bicycle paths. In a city centre where cars are banned from many streets, even early-morning pedestrians like me had a carefree spring in their step.

It was just as well there was no traffic about as I spent a great deal of time gazing upwards. For if modern Strasbourg impresses with its organisation and brisk efficiency, medieval Strasbourg - one of the best-preserved cities in Europe - enchants with its age, its beauty and its civilisation.

What else can one do before Strasbourg Cathedral but gaze upwards in wonder? A masterpiece of medieval Gothic art that until the 19th century was the tallest building in Christendom, it is breathtaking both in its vastness of scale and its

complexity of detail - even Victor Hugo, who knew a thing or two about cathedrals, was struck by it; he called it "a prodigy of the gigantic and the delicate".

For things delicate, I had only to stand before the tympanum surrounding the cathedral's three main portals. Here, in layer after layer of meticulously detailed sculpture, beneath soaring fretwork spires, needles, pinnacles and a massive rose window of stained glass, lay the story of Christianity told in stone.

For things gigantic, I took the circular stone stairway up to the cathedral's main spire, whose tip looms 466ft above the ground. "This ascent is long and difficult and dangerous for people with cardiac and respiratory conditions," read the warning sign at the bottom of the stairs. A good 325 heart-pounding steps later, I knew what they meant.

But from the top, I could look down at the city, at the hills of the Vosges that rise up behind it to the west and, no distance eastwards across the flat valley of the Rhine, at the German frontier.

Strasbourg has a history as dramatic and tumultuous as any in Europe. From the 10th to the 17th century it was a German city. In 1681, Louis XIV took it over in the name of France. It was reconquered by the Germans in 1870, taken back by France at the end of the first world war, reclaimed once again by Germany in 1939.

and finally regained by the French after one of the last great battles of the second world war.

A city which bloomed during the Reformation and cast its influence across an entire continent, it has been a meeting place where two great European cultures have intermingled, sometimes peacefully, sometimes violently, for 1,000 years.

From up here, Strasbourg's palaces, castles, towers and squares looked simple enough to navigate. But down once again in its labyrinth of winding, cobblestoned streets, I gave up trying to make sense of my map. I decided to let someone else navigate instead.

The River Ill, the Marne-to-Rhine Canal, the busy port of Strasbourg, the river Rhine itself... as my tour boat cruised the city, it did not take long to see why Strasbourg has been so important for so long. One of Europe's largest inland ports, it sits on a river more

than 1,300km long. Cleaving its way through Europe, the Rhine connects north to south, the Atlantic Ocean to Switzerland in the heart of the continent.

Here were grain carriers from Rotterdam, coal barges from Cologne, cruise ships from Basel - even today, the Rhine is an important European lifeline. Eventually, I bobbed back to the heart of Strasbourg; musing on past and future, I began wandering ancient streets.

On the rue Mercerie I strolled into the stone-walled Pharmacie du Café, where medicines have been dispensed since 1283. In the rue des Orfèvres, the jewellery may have changed over the past 500 years, but the shops, half-timbered with stepped gables, leaded windows and decorative wood-carving, have altered little.

On the Place Gutenberg, I browsed among dozens of secondhand and rare book stalls - books have not changed all that much either since Gutenberg began printing after his 13-year residence in Strasbourg.

And finally, in the Place du Marché-aux-Cochons-de-Lait, I stopped. It is one of the city's prettiest spots, a picture-postcard square of ancient houses, red geraniums in window-boxes and, inevitably, rampant commercial tourism. But how much better for Frenchmen, Germans, Italians, Britons and the rest of the European tribe to be at each other's

wallets rather than each other's throats.

Is Strasbourg a city of the past or of the future? The answer, of course, is that it is both. It remains at the symbolic centre of Europe as it has for centuries - the very reason it was chosen as the site for its parliament.

I am more attracted to Strasbourg's stone-carved palaces and half-timbered houses than to the impersonal stainless steel and mirror-glass forms of its European parliament. Most people feel the same. But while it is easy to take a cynical stand on Europe's international institutions, one only has to ask oneself what Europe might be if they did not exist at all.

I gazed upwards one last time at Strasbourg Cathedral's magnificent spire. It has escaped destruction only by a miracle - in 1870, it was hit 13 times by German shelling. In 1944, it was damaged by Allied bombing. Nobody knows if Strasbourg might one day be the capital of a federal Europe. But if Europeans want to preserve the marvellous traditions of the past, then they will have to look, one way or another, to the future.

Choose No 1234: White plays 1 No3 (Private No4, No5 or No6 with a check next move). Black's longest resistance is... 1... No 2 No5 No7 3 4 (Private 4 No5) No 4 No4 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

ROLEX

of Geneva

## THE IMPORTANCE OF BEING IN ERNEST.

How can you choose the ultimate watch without first experiencing the complete collection? Rolex at Ernest Jones, as they have been for a generation.

Rolex Oyster Datejust. Officially Certified Swiss Chronometer.



Ernest Jones

THE DIAMOND &amp; WATCH SPECIALIST

For your nearest Ernest Jones Rolex boutique, telephone (0800) 399 5982

55.1 من الاصل